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Livestock and Poultry

Outlook and Situation Report

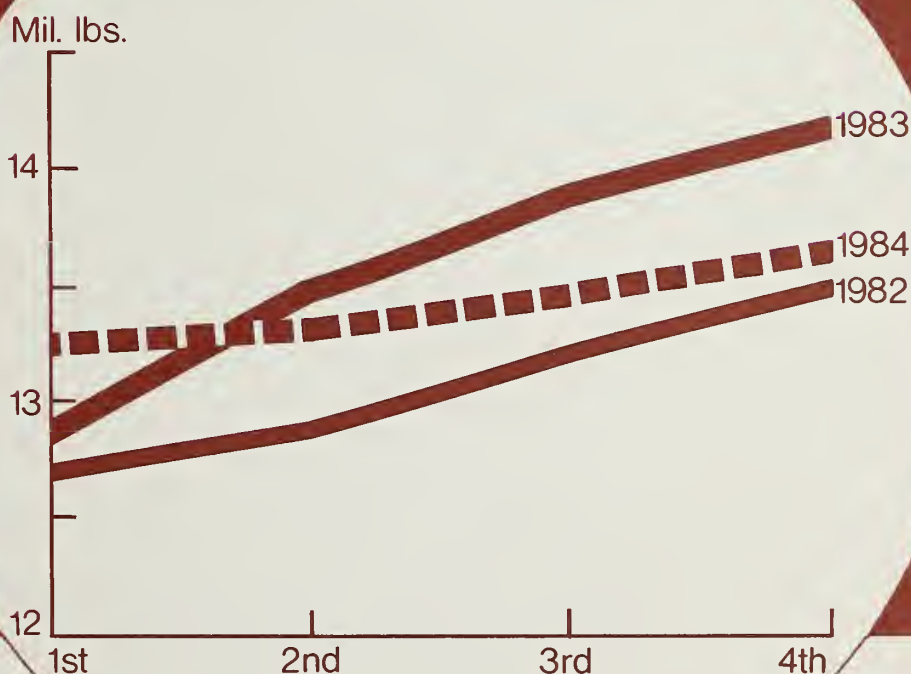
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Meat Supplies To Drop from Record Highs



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The present forecasts will be updated in the World Agricultural Supply and Demand Estimates scheduled for release on March 12 and April 10 and 24, 1984.

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Summary

Total red meat and poultry production was record high in 1983. Red meat supplies are likely to remain seasonally large through spring. However, poor returns in 1983 may cause a 2-percent drop in beef and pork production in 1984, with the greatest year-to-year declines in the last half.

The hog breeding herd was smaller than a year earlier on December 1, 1983. Also, producers indicated intentions to have fewer sows farrow through midyear, which will cause pork output to slip below year-ago levels beginning in late spring. Declining cattle numbers and improved forage conditions this spring should contribute to lower beef production. Fed cattle marketings are expected to decline modestly from 1983 in the second half, but remain relatively large. However, improved grazing conditions could result in sharply lower nonfed cattle slaughter than 1983's large drought-induced levels. Choice fed steer prices may average \$64 to \$70 per cwt in 1984, compared with \$62.52 in 1983. Prices of barrows and gilts are expected to average \$49 to \$55, compared with \$47.71. Lower grain prices in second-half 1984 likely will result in yearling feeder steers selling at a premium to fed cattle.

Cutbacks in broiler and turkey production from a year earlier are expected to continue through first-half 1984. Strong prices since last fall plus moderating grain prices and reduced supplies of competing red meats are likely to encourage expanded production in the second half. Broiler and turkey production may rise 1 percent for the year.

Red meat and poultry consumption in 1983 was a record large 210 pounds per person, 6 pounds above 1982 and 1 pound above the previous record set in 1980. Total consumption may decline 4 to 5 pounds per person this year.

Lower beef and pork supplies in 1984, combined with an expanding economy, are likely to prompt a 2- to 4-percent rise in retail beef prices and a 4- to 6-percent hike in pork prices over 1983. Prices may rise slightly through the first half, and these gains will be sustained in the last half. Prices for Choice beef at retail may average \$2.45 to \$2.50 per pound in the second half, and pork prices, \$1.85 to \$1.90. Wholesale broiler prices are expected to decline modestly through spring from the recent 66-cent high, and average 55 to 61 cents a pound for the year. The price of 8- to 16-pound young hen turkeys in New York may average 66 to 72 cents for the year, well above 1983's 60.5 cents.

Egg producers reacted to poor returns by cutting production, and output is likely to be 3 to 5 percent below 1983 through midyear. Improved returns will encourage producers to save back older hens and place more pullets. This could trigger increased production beginning this fall, assuming the avian flu is contained. Wholesale egg prices may average \$1.03 to \$1.07 a dozen this winter—up from 66 cents a year ago—and average 86 to 92 cents a dozen for the year.

Table 1 —Livestock, poultry, and egg production and prices
(All percent changes shown are from a year earlier.)

Item	1982	1983				1984			
	Annual	I	II	III	IV	Annual ¹	I ²	II ²	Annual ²
<i>Million lbs</i>									
PRODUCTION									
Beef	22,366	5,525	5,549	6,012	5,974	23,060	5,750	5,525	22,550
% change	+1	+1	+3	+5	+3	+3	+4	0	-2
Pork	14,121	3,483	3,726	3,644	4,208	15,061	3,750	3,675	14,725
% change	-10	-6	+5	+12	+16	+7	+8	-1	-2
Lamb & mutton	356	93	89	94	91	367	93	84	345
% change	+9	+3	+5	+7	-2	+3	0	-6	-6
Veal	423	103	99	110	117	429	107	90	397
% change	+2	-4	0	-3	+6	+1	+4	-9	-8
Total red meat	37,266	9,204	9,463	9,860	10,390	38,917	9,700	9,374	38,017
% change	-4	-1	+4	+8	+8	+4	+5	-1	-2
Broilers ³	12,038	3,059	3,277	3,135	2,910	12,381	3,000	3,230	12,560
% change	+1	+6	+5	0	0	+3	-2	-1	+1
Turkeys ³	2,458	462	582	760	759	2,563	450	565	2,600
% change	-2	+13	+10	0	0	+4	-3	-3	+1
Total poultry ⁴	15,052	3,666	3,991	4,015	3,773	15,445	3,565	3,915	15,620
% change	+1	+7	+5	0	-1	+3	-3	-2	+1
Total red meat & poultry	52,318	12,870	13,454	13,875	14,163	54,361	13,265	13,289	53,367
% change	-2	+1	+4	+5	+5	+4	+3	-1	-1
<i>Million dozen</i>									
Eggs	5,798	1,432	1,405	1,399	1,418	5,655	1,375	1,360	5,540
% change	0	-1	-2	-3	-4	-2	-4	-3	-2
<i>Dollars per cwt</i>									
PRICES									
Choice steers, Omaha, 900- 1100 lb	64.22	61.52	67.04	60.89	60.61	62.52	65-68	66-70	64-70
Barrows & gilts, 7 mkts	55.44	55.00	46.74	46.90	42.18	47.71	46-49	47-51	49-55
Slaugh. lambs, Ch., San Ang.	56.44	60.00	61.00	50.98	57.63	57.40	59-62	60-64	57-63
<i>Cents per lb</i>									
Broilers, 9-city avg. ⁵	44.0	43.4	⁸ 46.5	53.9	55.2	(9)	60-63	57-61	55-61
Turkeys, NY ⁶	60.8	54.9	57.3	60.3	69.4	60.5	66-69	67-71	66-72
<i>Cents per doz</i>									
Eggs New York ⁷	70.1	65.8	69.1	74.4	91.3	75.2	103-107	88-92	86-92

¹Preliminary. ²Forecast. ³Federally inspected. ⁴Includes broilers, turkeys, and mature chickens. ⁵Wholesale weighted average. ⁶Wholesale, 8- to 16-pound young hens. ⁷Cartoned, consumer Grade A large, sales to volume buyers. ⁸The 9-city price has been discontinued; starting with second-quarter 1983, the broiler price is the new 12-city average. ⁹Quarterly data not comparable to compute average.

FACTORS AFFECTING LIVESTOCK AND POULTRY

Economic Improvement Continues

Consumer and business spending is expected to continue strong this year. The unemployment rate declined from 10.4 percent in January 1983 to 8 percent in January 1984. Nominal incomes rose 6.2 percent in 1983 and are expected to rise even further in 1984. However, much of the year-to-year gain will occur in the first quarter because of the weak first-quarter 1983 figure. Higher nominal incomes and a reduced inflation rate in 1983 caused real incomes to rise 2.2 percent after declining slightly in 1982. Real incomes are expected to improve further in 1984.

Economic improvement in 1983 was fueled by consumer spending, which is expected to level out in 1984. In mid-1983, uncertainty existed as to whether business spending, particularly for fixed investments, would recover sufficiently to maintain the recovery, as business fixed investment declined 3 percent in first-half 1983 from a year earlier. However, business fixed investment spending grew nearly 17 percent in the second half and is expected to rise 7 to 10 percent in 1984, fueling the economy. Internal funds, plus the accelerated depreciation provisions of the 1981 Economic Recovery Act, are expected to support increased plant construction and equipment purchases.

Continued strength in the economy and gradual further declines in unemployment rates will likely support consumer spending at the recent higher levels. This, along with reduced total meat supplies, means meat prices through spring may be set for the first broad increases since 1979. Even so, meat prices during 1984 are likely to rise only near the rates expected for the general economy.

Feed Stocks Continue To Decline; Sharp Price Rise Likely

The payment-in-kind program and drought reduced the 1983 feed grain harvest by 46 percent from the 1982 record. Record meat production increased feed use during the fall quarter. The short harvest and large feed grain disappearance caused grain stocks on January 1 to drop 37 percent below year-earlier levels. Large wheat stocks and an attractive wheat/corn price ratio, particularly in the commercial cattle feeding areas, resulted in record large wheat feeding. Wheat feeding is likely to remain high, with another large winter wheat crop likely for this spring. However, given the large drop in feed grain stocks, grain prices are expected to rise, which will ration the crop's use, particularly through spring. The farm price of corn averaged \$3.15 a bushel in October through mid-February, but it is expected to average \$3.20 to \$3.40 for the 1983/84 crop year. Since prices are likely to moderate this summer in anticipation of a large fall harvest, they would have to rise sharply through spring to reach the upper end of that price range.

Soybean meal prices have weakened since fall, despite the sharp drawdown in soybean stocks that was recorded on January 1. Soybean meal prices at Decatur averaged \$223 a ton during the fall quarter, but declined to \$195

in January. Season average prices are expected to range between \$205 to \$225 a ton.

Although well above year-earlier levels, feed prices have been relatively stable since harvest but below expectations. Higher feed prices through spring are likely to hold down expansion in meat production in second-half 1984. However, if grain prices remain below expectations, and livestock and poultry prices remain strong as expected, meat output for second-half 1984 could be larger than anticipated. Larger numbers of cattle would be placed on feed through spring, bolstering beef supplies in late summer through fall. Also, some gilts could be bred this winter and spring rather than being marketed. This could result in additional pork supplies by late this year. Poultry prices have been strong, and lower-than-anticipated grain prices would provide producers even greater incentives to expand output.

Forage supplies continued to tighten through early winter. Hay stocks on farms and ranches on May 1, 1983, were 29.1 million tons, nearly 4 million tons larger than a year earlier. The drought reduced the 1983 hay crop 6 percent, or 9.6 million tons, from the 1982 record. Consequently, the larger beginning stocks offset only about half the production cutback. Hay stocks on January 1, 1984, were 90.7 million tons, down from 108.1 million a year earlier—a 16-percent decline.

The drought caused increased supplemental feeding in many areas in late summer and early fall as grazing conditions deteriorated. Then, record cold temperatures and snow cover in December resulted in sharply increased supplemental feeding. Grazing on small grain pastures in late December through January was curtailed due to snow cover and lack of growth because of the cold. Record low temperatures killed the less hardy barley and oat pastures in many areas. Wheat pastures were beginning to provide some additional grazing in February as temperatures moderated. Supplemental feeding, particularly of hay, has continued large.

Overall forage supplies, while tight, should be adequate to carry the reduced inventories through to spring. Some areas are already very short of hay and additional culling has been necessary, resulting in more nonfed slaughter. If the extreme weather pattern of early winter were to re-exert itself, the adequacy of forage supplies would be severely tested.

Hay prices received by farmers in mid-January averaged a record high \$80 a ton, up nearly \$10 from a year earlier. Hay prices in Iowa, where supplies were short, averaged \$81 a ton in January, compared with \$54 a year ago. Similar comparisons for other States with reduced supplies were: Kansas, \$89 versus \$57; Missouri, \$69 versus \$60; Arkansas, \$70 versus \$45; and New Mexico, \$97 versus \$79. In North Dakota, South Dakota, Nebraska, and many of the Western States, hay stocks were mostly adequate, and prices were near or below year-earlier averages.

LIVESTOCK AND RED MEAT

Total red meat and poultry supplies were record large in 1983 and will remain large through spring. Livestock

Table 2—January 1 cattle inventory and calf crop

Year	Cattle	Cows	Cows/ cattle	Calf crop	Calf crop/ cows
	1,000 head	1,000 head	Percent	1,000 head	Percent
1950	77,963	37,946	49	34,899	92
1951	82,083	39,415	48	35,825	91
1952	88,072	41,225	47	38,273	93
1953	94,241	44,030	47	41,261	94
1954	95,679	46,045	48	42,601	93
1955	96,592	46,240	48	42,112	91
1956	95,900	45,460	47	41,376	91
1957	92,860	44,115	48	39,905	90
1958	91,176	42,790	47	38,860	91
1959	93,322	42,680	46	38,938	91
1960	96,236	43,325	45	39,416	91
1961	97,700	44,045	45	40,180	91
1962	100,369	45,086	45	41,441	92
1963	104,488	46,399	44	42,268	91
1964	107,903	47,868	44	43,809	92
1965	109,000	48,780	45	43,922	90
1966	108,862	47,990	44	43,537	91
1967	108,783	47,495	44	43,803	92
1968	109,371	47,685	44	44,315	93
1969	110,015	48,040	44	45,177	94
1970	112,369	48,780	43	45,871	94
1971	114,578	49,786	43	46,738	94
1972	117,862	50,585	43	47,682	94
1973	121,539	52,553	43	49,194	94
1974	127,788	54,478	43	50,873	93
1975	132,028	56,931	43	50,183	88
1976	127,980	54,971	43	47,384	86
1977	122,810	52,441	43	45,931	88
1978	116,375	49,634	43	43,818	88
1979	110,864	47,852	43	42,603	89
1980	111,192	47,865	43	44,998	94
1981	114,321	49,586	43	44,776	90
1982	115,604	50,331	44	44,420	88
1983	115,199	49,154	43	44,093	90
1984	114,040	48,800	43		

and poultry prices moved up seasonally early in the year, but some price weakness is likely in late winter. Meat supplies are expected to drop below 1983 levels beginning in late spring. The low signup in the milk diversion program suggests that dairy cow slaughter will not be as large as previously expected. Contracts under the dairy program indicate that producers will cull about 337,000 additional cows (above normal levels) during the 15-month program ending March 31, 1985. The largest additional slaughter was indicated during January-March 1984. The program's overall impact on livestock and poultry producers, particularly beyond this winter quarter, will likely be minimal.

Cattle

Cattle numbers are not likely to turn around until 1985-86. The number of cattle and calves on U.S. farms on January 1, 1984, totaled 114 million head, about 1 percent below the 115.6 million in 1982 and the 115.2 million in 1983. The base for future beef production continues the gradual decline that began in 1982. At the beginning of this year the beef cow inventory was nearly 1 percent lower than a year ago, and down more than 4 percent from January 1, 1982. The number of beef replacement heifers being held for possible herd expansion on January 1, 1984, was down 2 percent from a year earlier. The 1983 calf crop was estimated at 44.1 million head, down 1 percent from 1982, and 2 percent from 1981. An estimated 71 percent of the calves were born in first-half 1983.

Drought forced more cattle on the slaughter market in second-half 1983. After declining 1 percent from a year earlier in first-half 1983, cow slaughter rose 7 percent, or nearly 300,000 head, in the second half. Nonfed steer and heifer slaughter declined 27 percent from year-earlier levels in first-half 1983, but rose 8 percent in the second half due to drought and sharply higher grain prices.

Table 4—Commercial cattle slaughter¹ and production

Year	Steers and heifers				Bulls and stags	Total	Average dressed weight	Com- mercial produc- tion ²
	Fed	Nonfed	Total	Cows				
	1,000 head						Lb	Mil. lb
1981:								
I	6,196	641	6,837	1,577	172	8,586	648	5,561
II	5,796	974	6,770	1,526	200	8,496	640	5,435
III	6,166	835	7,001	1,660	218	8,879	624	5,541
IV	5,660	1,267	6,927	1,880	185	8,992	631	5,677
Year	23,818	3,717	27,535	6,643	775	34,953	636	22,214
1982:								
I	6,148	620	6,768	1,738	173	8,679	629	5,455
II	5,997	746	6,743	1,685	214	8,642	621	5,363
III	6,660	542	7,202	1,787	225	9,214	622	5,730
IV	6,097	861	6,958	2,144	206	9,308	625	5,818
Year	24,902	2,769	27,671	7,354	818	35,843	624	22,366
1983: ³								
I	6,419	427	6,846	1,701	187	8,734	633	5,525
II	6,367	573	6,940	1,694	210	8,844	627	5,549
III	6,799	622	7,421	1,907	220	9,548	630	6,012
IV	6,145	897	7,042	2,304	191	9,537	626	5,974
Year	25,730	2,519	28,249	7,606	808	36,663	629	23,060

¹Classes estimated. ²May not add due to rounding. ³Preliminary.

Table 3—Cattle balance sheet

Year	On farms Jan. 1	Imports	Calf crop	Total supply	Slaughter		Death loss	Exports	Total disap- pearance	To balance	On farms Dec. 31
					Cattle	Calves					
1,000 head											
1950	77,963	461	34,899	113,323	18,614	10,501	3,742	8	32,865	+1,625	82,083
1951	82,083	239	35,825	118,147	17,084	8,902	3,863	8	29,857	-218	88,072
1952	88,072	140	38,273	126,485	18,625	9,388	4,034	11	32,058	-186	94,241
1953	94,241	198	41,261	135,700	24,465	12,200	4,060	15	40,740	+719	95,679
1954	95,679	86	42,601	138,366	25,889	13,270	4,063	21	43,243	+1,469	96,592
1955	96,592	314	42,112	139,018	26,587	12,864	4,052	35	43,538	+420	95,900
1956	95,900	159	41,376	137,435	27,755	12,999	3,912	37	44,703	+128	92,860
1957	92,860	728	39,905	133,493	27,068	12,353	3,801	44	43,266	+949	91,176
1958	91,176	1,152	38,860	131,188	24,368	9,738	3,810	26	37,942	+76	93,322
1959	93,322	709	38,938	132,969	23,722	8,072	3,876	51	35,721	-1,012	96,236
1960	96,236	663	39,416	136,315	26,029	8,615	4,100	32	38,776	+161	97,700
1961	97,700	1,043	40,180	138,923	26,471	8,080	4,018	24	38,593	+39	100,369
1962	100,369	1,250	41,441	143,060	26,911	7,857	4,125	19	38,912	+340	104,488
1963	104,488	852	42,268	147,608	28,070	7,204	4,040	23	39,337	-368	107,903
1964	107,903	547	43,809	152,259	31,678	7,632	4,232	62	43,604	+345	109,000
1965	109,000	1,128	43,922	154,050	33,171	7,788	4,248	54	45,261	+73	108,862
1966	108,862	1,100	43,537	153,499	34,173	6,863	4,049	35	45,120	+404	108,783
1967	108,783	752	43,803	153,338	34,297	6,110	4,045	55	44,507	+540	109,371
1968	109,371	1,039	44,315	154,725	35,418	5,616	4,012	36	45,082	+372	110,015
1969	110,015	1,042	45,177	156,234	35,573	5,011	4,123	39	44,746	+881	112,369
1970	112,369	1,168	45,871	159,408	35,356	4,203	4,297	88	43,944	-886	114,578
1971	114,578	991	46,738	162,307	35,905	3,825	4,442	93	44,265	-180	117,862
1972	117,862	1,186	47,682	166,730	36,134	3,201	5,126	104	44,565	-626	121,539
1973	121,539	1,039	49,194	171,772	34,102	2,404	6,487	273	43,266	-718	127,788
1974	127,788	568	50,873	179,229	37,353	3,175	6,110	204	46,842	-359	132,028
1975	132,028	389	50,183	182,600	41,464	5,406	6,992	196	54,058	-562	127,980
1976	127,980	984	47,384	176,348	43,199	5,527	5,190	205	54,121	-583	122,810
1977	122,810	1,133	45,931	169,874	42,381	5,692	6,000	107	54,180	+681	116,375
1978	116,375	1,253	43,818	161,446	39,970	4,302	5,800	122	50,194	-388	110,864
1979	110,864	732	42,603	154,199	34,005	2,927	5,600	66	42,598	-409	111,192
1980	111,192	681	44,998	156,871	34,116	2,679	5,413	66	42,274	-276	114,321
1981	114,321	659	44,776	159,756	35,265	2,886	4,897	88	43,136	-1,016	115,604
1982	115,604	1,005	44,420	161,029	36,158	3,106	5,449	58	44,771	-1,059	115,199
1983	115,199	921	44,093	160,213	^P 36,984	^P 3,163	^P 5,544	56	^P 47,747 ^P	-426	114,040
1984	114,040										

^P = Preliminary.

Unless forage conditions deteriorate, cattle numbers are expected to change very little in 1984. Significant encouragement for expansion is not likely until at least fall, when most of this year's calf crop is sold. At that time, additional heifers may be retained for breeding during the spring of 1985. Cow slaughter in the second half of 1984 is likely to decline sharply from the large drought-forced levels of 1983.

The number of replacement heifers in the 1983 inventories that calved and entered the cow herd increased from the low levels of recent years, particularly in second-half 1983. In 1984, the number of heifers calving and entering the cow herd may again show a modest decline. Extreme temperatures last summer, and poor forage supplies in many areas since then are likely to result in reduced calving rates, particularly for first-calf heifers. In some areas, additional cows were culled last summer and fall for failure to rebreed as well as because of reduced forage supplies. Even if cow slaughter declines once the grazing season begins, the smaller number of heifers that are likely to calve and enter the cow herd will likely result in another decline in the calf crop in 1984.

Table 5—Planned slaughter of dairy cows¹

Year and month	Sales due to normal culling	Extra sales due to program	Total
<i>Number</i>			
1984:			
January	63,621	77,055	140,676
February	45,981	51,849	97,830
March	40,295	32,757	73,052
April	36,541	23,290	59,831
May	33,749	18,337	52,086
June	33,672	17,271	50,943
July	32,784	15,367	48,151
August	32,566	13,846	46,412
September	37,053	16,831	53,884
October	37,661	16,482	54,143
November	35,984	14,291	50,275
December	35,027	12,379	47,406
1985:			
January	32,247	11,166	43,413
February	28,162	8,642	36,804
March	25,721	7,233	32,954
Total	551,064	336,796	887,860

¹Preliminary.

Table 6—Federally inspected cattle slaughter

1983 Week ended	Cattle		Steers		Cows		
					Total	Dairy	Dairy as % of total
	1983	1984	1983	1984	1983	1984	
	<i>Thousands</i>						<i>Percent</i>
Jan. 1 ¹	555	589	268	292	115	133	—
8	682	606	299	277	159	164	51
15	725	699	337	325	156	180	50
22	693	707	329	339	140	163	53
29	667		325		132		
Feb. 5	637		312		119		
12	668		330		126		
19	631		310		126		
26	624		326		114		
Mar. 5	621		306		112		
12	615		312		108		
19	628		322		114		
26	608		299		113		
Apr. 2	589		283		112		
9	588		287		119		
16	644		333		121		
23	636		316		127		
30	623		326		118		
May 7	649		332		127		
14	675		339		126		
21	669		333		127		
28	684		333		130		
June 4	591		293		109		
11	690		338		128		
18	675		324		126		
25	658		313		132		
July 2	662		325		129		
9	590		304		97		
16	682		330		135		
23	652		312		127		
30	661		323		126		
Aug. 6	688		329		131		
13	710		338		140		
20	706		338		143		
27	708		339		142		
Sept. 3	735		354		155		
10	644		304		125		
17	759		351		154		
24	721		313		159		
Oct. 1	746		332		167		
8	736		327		165		
15	734		332		165		
22	725		315		172		
29	728		320		180		
Nov. 5	704		302		182		
12	698		318		162		
19	709		309		180		
26	580		268		137		
Dec. 3	702		320		176		
10	732		318		199		
17	704		331		171		
24	625		303		144		

¹Corresponding date—1983: January 1, 1983; 1984: December 31, 1983.

Yearling Feeder Cattle Supplies Remain Large

Despite 3 successive years of declining calf crops, the number of feeder cattle outside feedlots has fallen only modestly over the past couple of years. The total supply on January 1, 1984, was about unchanged from a year ago. The supply of feeder calves weighing under 500 pounds has declined a half-million head during each of the last 2 years. However, the supply of yearling cattle available for nonfed slaughter, stocker programs, or feedlot placements remains relatively large—up 2 percent from a year ago. The 800,000-head decline in feedlot placements from 1982 to 1983 and the 250,000-head drop in nonfed steer and heifer slaughter contributed to the larger yearling feeder cattle supply.

Most of the larger supply of yearlings will be placed in feedlots or slaughtered as nonfeds between now and midsummer. However, if feed prices rise as expected through this spring, feedlot placements will likely be held near the lower levels of a year ago. If grazing conditions are good this spring, a stronger demand for stocker cattle also will tend to hold down placements.

A large grain crop this year would result in lower feed costs this fall. This, combined with reduced meat supplies

and thus stronger cattle prices in second-half 1984 and in 1985, should encourage large placements beginning this summer. Consequently, feeder cattle supplies will begin to tighten by late summer, resulting in stronger prices for the already reduced supply of calves.

Large Fed Cattle Marketings Through Spring

Fed cattle marketings should remain large through spring. Poor weather conditions from mid-December through January held down weight gains of cattle on feed but improved weather in late January through February resulted in improved gains. Muddy lots were a problem in North Central feedlots in late February.

The large number of cattle forced into feedlots off small grain pastures and corn stalks in December and early January will be marketed by midsummer. Since marketings were relatively large last spring, marketings through early summer will probably be near to slightly below a year earlier.

The number of cattle on feed in the 13 major cattle feeding States on January 1 was 4 percent below a year ago, but still 10 percent above 1982. Marketings during fourth-quarter 1983 rose 1 percent from the same period

Table 7—Heifers entering cow herd January-June and July-December

Year	January 1 cow inventory	Intended herd re- placements January 1	Total ¹ disap- pearance Jan.-June	July 1 cow inventory	Heifers entering herd Jan.-June	Percent entering herd	Intended herd re- placements July 1	Total ² disap- pearance July-Dec.	January 1 cow inven- tory fol- lowing yr.	Heifers entering herd July-Dec.	Percent entering herd
<i>1,000 head</i>			<i>Percent</i>			<i>1,000 head</i>		<i>Percent</i>			
1973	52,553	11,306	3,550	54,037	5,034	44.5	11,144	3,496	54,478	3,937	35.3
1974	54,478	12,134	3,625	56,960	6,107	50.3	11,780	4,702	56,931	4,673	39.7
1975	56,931	12,971	5,212	58,053	6,336	48.8	11,306	7,197	54,974	4,118	36.4
1976	54,971	11,148	5,628	53,938	4,595	41.2	10,475	5,811	52,441	4,314	41.2
1977	52,441	10,414	5,221	52,190	4,970	47.7	9,846	5,429	49,635	2,874	29.2
1978	49,635	9,744	4,961	48,413	3,739	38.4	9,340	4,253	47,852	3,692	39.5
1979	47,852	9,459	3,413	47,815	3,376	35.7	9,885	3,235	47,865	3,285	33.2
1980	47,865	10,097	3,304	49,941	5,380	53.3	10,214	3,748	49,586	3,393	33.2
1981	49,586	10,481	3,599	51,004	5,017	47.9	10,861	3,788	50,331	3,115	28.7
1982	50,331	11,147	3,926	49,990	3,585	32.2	10,900	4,183	49,154	3,347	30.7
1983	49,154	10,876	3,887	49,600	4,333	39.8	10,680	4,457	48,800	3,657	34.2
1984	48,800	10,736									

¹Death loss 1 percent of January 1 cow inventory plus estimated commercial cow slaughter. ²Death loss 1/2 percent of January 1 cow inventory plus estimated commercial cow slaughter.

Table 8—January 1 feeder cattle supply

Item	1980	1981	1982	1983	1984	1984/83
Calves, 500 lb ¹						
On farms	27,590	28,904	28,827	28,375	27,701	-2.4
On feed ²	1210	897	606	756	586	-22.5
Total	26,380	28,007	28,221	27,619	27,115	-1.8
Steers & heifers, 500 + lb ³						
On farms	23,149	22,804	22,682	24,179	24,253	+0.3
On feed ²	10,924	10,618	9,954	11,210	10,975	-2.1
Total	12,225	12,186	12,728	12,969	13,278	+2.4
Total supply	38,605	40,193	40,949	40,588	40,393	-0.5

¹Less than. ²Estimated U.S. steers and heifers. ³Not including heifers for cow replacement.

Table 9—Commercial calf slaughter and production

Year	Slaughter ¹	Average dressed weight	Production ¹
	1,000 head	Lb	Million lb
1981:			
I	687	146	100
II	594	160	95
III	715	147	105
IV	802	143	115
Year	2,798	148	415
1982:			
I	770	139	107
II	675	147	99
III	770	139	107
IV	806	136	110
Year	3,021	140	423
1983: ²			
I	734	140	103
II	669	146	98
III	805	137	110
IV	868	135	117
Year	3,076	139	428

¹May not add due to rounding. ²Preliminary.

in 1982, despite reduced December marketings due to a severe winter storm. Feedlot placements during the quarter were slightly above the large placements during the fall of 1982 and the largest since fall 1978. Fourth-quarter net feedlot placements in the 7 major feeding States were 5 percent below a year earlier in October-November. However, more favorable fed cattle prices in December and a winter storm that forced cattle off pastures resulted in a 13-percent increase in net placements. Placements were up primarily in the commercial cattle feeding States. Placements rose 56 and 23 percent in Texas and Kansas, respectively, major wheat grazing areas, but declined 25 percent from a year ago in Iowa. Large wheat supplies and favorable prices compared to corn have also encouraged cattle feeding in the wheat areas since summer. The number of cattle on feed on January 1, 1984, was 2 percent above a year earlier in Texas and unchanged from the 1983 beginning inventory in Kansas. Feedlot inventories were 17 percent below a year ago in Iowa.

Cattle marketed in January covered all cash costs and most noncash costs to producers. Cattle marketed through late spring should remain profitable. However, higher prices for feeder cattle and grain through spring may hold down profitability in second-half 1984.

The February *Cattle on Feed* report, covering the 7 major feeding States indicated a 4-percent decline from a year ago in the number of cattle marketed during January.

Table 10—7-States cattle on feed, placements, and marketings

Year	On feed	Change previous year	Net placements	Change previous year	Marketings	Change previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1982						
Jan.	7,201	-8.4	1,376	+17.9	1,522	-0.2
Feb.	7,055	-6.0	1,227	+15.6	1,413	-1.9
Mar.	6,869	-3.6	1,702	+34.7	1,547	-0.6
Apr.	7,024	+2.7	1,456	-7.8	1,414	+2.0
May	7,066	+0.5	1,710	+20.1	1,413	+0.9
June	7,363	+4.4	1,328	+7.0	1,510	+4.2
July	7,181	+4.9	1,137	+11.8	1,482	+5.0
Aug.	6,836	+6.0	1,670	+22.4	1,689	+10.7
Sept.	6,817	+8.4	1,911	+8.6	1,575	+8.5
Oct.	7,153	+8.4	2,517	+28.3	1,527	+5.7
Nov.	8,143	+14.5	1,666	+10.3	1,485	+14.7
Dec.	8,324	+13.6	1,422	+18.2	1,430	+7.5
1983						
Jan.	8,316	+15.5	1,379	+0.2	1,643	+8.0
Feb.	8,052	+14.1	1,058	-13.8	1,506	+6.6
Mar.	7,604	+10.7	1,257	-26.1	1,593	+3.0
Apr.	7,268	+3.4	1,423	-2.3	1,470	+4.0
May	7,221	+2.2	1,693	-1.0	1,583	+12.0
June	7,331	-0.4	1,504	+13.3	1,560	+3.3
July	7,275	+1.3	1,096	-3.6	1,498	+1.1
Aug.	6,873	+0.5	1,477	-11.6	1,659	-1.8
Sept.	6,691	-1.8	1,932	+1.1	1,672	+6.2
Oct.	6,951	-2.8	2,358	-6.3	1,626	+6.5
Nov.	7,683	-5.6	1,590	-4.6	1,459	-1.8
Dec.	7,814	-6.1	1,617	+13.7	1,425	-0.3
1984						
Jan.	8,006	-3.7	1,480	+7.3	1,569	-3.6
Feb.	7,917	-1.7				

The drop was largely due to poor weather through mid-January. Cold weather continued to force more cattle off pastures, particularly wheat pastures, into feedlots. Net feedlot placements during January rose 5 percent from a year earlier. Net placements in Texas rose 64 percent. The first profits since last spring and modest declines in grain prices were added incentives to move cattle forced off pastures into feedlots.

Beef Supplies To Decline Seasonally

Beef production in January was below a year ago as sharply reduced slaughter weights and smaller fed cattle marketings due to weather extremes more than offset a large increase in cow slaughter. The average carcass weight of cattle slaughtered under Federal inspection was 14 pounds below the January 1983 average. Commercial cow slaughter rose by 127,000 head from a year earlier. Both dairy and beef cow slaughter rose sharply.

Dairy cow slaughter probably represents about 40 percent of annual cow slaughter. The level of dairy cow slaughter remains fairly constant throughout the year. Most of the swings in cow slaughter are due to the seasonality of beef cow culling. While actual data on the cow slaughter mix have not been available prior to this year, slaughter weight variation provides some information. Dairy cows are considerably heavier than beef cows when culled. Typically, average cow slaughter weights begin to rise in mid-December and continue to rise until about March. This coincides with a decline in beef herd culling. Cow weights decline more sharply from July through November when beef cow culling reaches a seasonal peak.

Dressed weights of cows slaughtered under Federal inspection in January averaged near the average for the last 2 years. This indicates only a modest rise in the dairy cow proportion of the slaughter mix. Weekly 1984 data place the slaughter mix at 53 percent dairy cows for January, likely above the normal mix for this time of year. However, larger-than-normal beef cow culling at lighter weights because of the adverse weather, probably kept dressed cow weights down. Dairy producers signing up for the new dairy program indicated intentions to slaughter about 77,000 additional dairy cows in January. Dairy cow slaughter is expected to taper off but remain larger than normal through midspring.

Nonfed cattle slaughter is likely to remain well above a year earlier through late winter as the new grazing season approaches. Unusually adverse weather or a late spring grazing season could force nonfed slaughter levels even larger, because forage supplies are generally tight in all areas and critically short in many. Nonfed steer and heifer slaughter this winter will probably return to the larger levels of near 600,000 head in 1981 and 1982 rather than the 400,000 head slaughtered during winter 1983. Cow slaughter during January-March will probably climb 15 to 17 percent above a year ago. Given the large nonfed slaughter and the expected gain in fed beef output in February and March, total beef production will likely average 3 to 5 percent above first-quarter 1983.

This spring, modest reductions in fed slaughter and seasonally declining, but larger nonfed slaughter through midspring, will hold beef production near year-earlier levels. Fed beef production is expected to decline 1 to 2

Table 11 — Cattle on feed, placements, and marketings, 13 States

Item	1981	1982	1983	1983/1982
	1,000 head			Percent change
On feed Oct. 1 ¹	8,210	8,800	8,465	-4
Placements, Oct.-Dec. 1	6,248	7,216	7,252	0
Marketings, Oct.-Dec. 1	5,089	5,374	5,416	+1
Other disappearance, Oct.-Dec. 1	341	371	393	+6
On feed Jan. 1	9,028	10,271	9,908	-4
Steer & steer calves	6,207	6,653	6,747	+1
-500 lb	298	368	323	-12
500-699 lb	1,079	1,228	1,247	+2
700-899 lb	1,868	2,004	2,114	+5
900-1,099 lb	2,337	2,330	2,366	+2
1,100 + lb	625	723	697	-4
Heifers & heifer calves	2,771	3,555	3,120	-12
-500 lb	217	277	177	-36
500-699 lb	749	1,013	803	-21
700-899 lb	1,120	1,406	1,297	-8
900 + lb	685	859	843	-12
Cows	50	63	41	-35
Marketings, Jan.-Mar.	5,443	5,694	5,752	+1

¹Oct.-Dec. previous year. ²Intentions.

percent in second-half 1984. This, combined with substantial declines in nonfed slaughter as forage conditions improve, could cause total beef production to decline 3 to 6 percent from second-half 1983.

Beef production in late summer through fall could be larger than expected, if grain prices fail to make the sharp gains expected between now and late spring. Larger numbers of cattle would be placed on feed through spring, raising second-half beef production. This could result in less-than-expected nonfed steer and heifer slaughter in late winter through spring, further supporting meat prices, particularly for cow beef, in the second quarter.

Price Peak Likely by Midsummer

Seasonal reductions in meat supplies and a drawdown of meat in the marketing channel were intensified in January by the severe weather at yearend. After averaging about \$59.50 per cwt in October and November, the price for Choice fed steers at Omaha moved up continuously in December, and averaged \$62.85 for the month. Prices continued to move up in January—averaging \$67. Increased fed cattle marketings in February and continued large cow slaughter caused some modest price decline. Prices are likely to average about \$66 to \$67 this winter and stay near this level until early spring. Prices could average in the upper \$60's this spring as nonfed cattle slaughter and pork production decline. A seasonal peak is likely in late spring through midsummer, probably again near \$70. Second-half prices are likely to average \$65 to \$68, with prices declining moderately in the fourth quarter. Prices are expected to avoid the sharp fourth-quarter downturn of the last few years. Reduced nonfed slaughter and lower pork supplies will help support cattle prices this fall.

Table 12.—Corn Belt cattle feeding

Purchased during Marketed during	Selected costs at current rates ¹									
	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July 83 Jan. 84	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June
<i>Dollars per head</i>										
Expenses:										
600-lb feeder										
steer	415.14	410.28	405.72	388.50	360.78	351.48	349.86	361.20	366.00	381.90
Transportation to										
feedlot (400										
miles)	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu)	120.60	131.40	136.35	136.80	139.50	152.10	147.15	139.50	140.40	141.75
Silage (1.7 tons)	38.49	40.39	41.33	40.56	40.80	43.45	46.87	46.55	46.16	47.53
Protein supple-										
ment (270 lb)	34.02	35.37	34.56	34.56	34.70	36.18	38.61	38.74	38.61	38.88
Hay (400 lb)	11.20	11.10	11.10	10.50	10.30	10.50	13.60	14.40	14.00	14.80
Labor (4 hours)	15.20	15.20	15.20	15.20	15.20	15.20	15.20	15.20	15.20	15.20
Management ²	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60
Vet medicine ³	5.13	5.15	5.17	5.18	5.17	5.19	5.20	5.20	5.22	5.26
Interest on pur-										
chase (6 months)	29.77	28.02	27.71	26.53	24.33	23.71	23.60	24.74	25.07	26.16
Power, equip., fuel,										
shelter, depre-										
ciation ³	23.91	24.02	24.11	24.16	24.11	24.20	24.27	24.24	24.35	24.53
Death loss (1%										
of purchase)	4.15	4.10	4.06	3.88	3.61	3.51	3.50	3.61	3.66	3.82
Transportation										
(100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing										
expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous &										
indirect costs ³	10.34	10.39	10.43	10.45	10.43	10.47	10.49	10.48	10.53	10.61
Total	726.49	733.96	734.28	714.86	679.87	694.53	696.89	702.40	707.74	728.98
Selling price										
required to cover:										
Feed and feeder										
costs (1,050 lb) \$/cwt	59.00	59.86	59.91	58.18	55.82	56.54	56.77	57.18	57.64	59.51
Selling price										
required to cover all										
costs (1,050 lb) \$/cwt	69.19	69.90	69.93	68.08	64.75	66.15	66.37	66.90	67.40	69.43
Feed costs per 100-										
lb gain \$/cwt	45.40	48.50	49.63	49.43	50.07	53.83	54.72	53.15	53.15	53.99
Choice steers,										
Omaha \$/cwt	59.19	59.58	59.41	62.85	67.08					
Net margin \$/cwt	-10.00	-10.32	-10.52	-5.23	+2.33					
Prices:										
Feeder steer,										
Choice (600-700										
lb) Kansas City \$/cwt	69.19	68.38	67.62	64.75	60.13	58.58	58.31	60.20	61.00	63.65
Corn \$/bu ⁴	2.68	2.92	3.03	3.04	3.10	3.38	3.27	3.10	3.12	3.15
Hay \$/ton ⁴	56.00	55.50	55.50	52.50	51.50	52.50	68.00	72.00	70.00	74.00
Corn silage \$/ton ⁵	22.64	23.76	24.31	23.86	24.00	25.56	27.57	27.38	27.15	27.96
32-36% protein										
supp. \$/cwt ⁶	12.60	13.10	12.80	12.80	12.85	13.40	14.30	14.35	14.30	14.40
Farm labor \$/hour	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Interest rate, annual	14.35	13.66	13.66	13.66	13.49	13.49	13.49	13.70	13.70	13.70
Transportation										
rate \$/cwt per 100										
miles ⁷	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing										
expenses \$/cwt ⁸	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices										
paid by farmers										
(1910-14=100)	1091	1096	1100	1102	1100	1104	1107	1106	1111	1119

¹Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual for management, production level, and locality of operation. ²Assumes 1 hour at twice the labor rate. ³Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. ⁴Average price received by farmers in Iowa and Illinois. ⁵Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb hay. ⁶Average price paid by farmers in Iowa and Illinois. ⁷Converted from cents/mile for a 44,000-pound haul. ⁸Yardage plus commission fees at a Midwest terminal market.

Table 13—Great Plains custom cattle feeding

Purchased during Marketed during	Selected costs at current rates ¹									
	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July 83 Jan. 84	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June
<i>Dollars per head</i>										
Expenses:										
600-lb feeder steer	423.00	405.72	378.42	373.50	358.32	357.48	346.32	345.24	372.00	396.72
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:										
Milo (1,500 lb)	83.55	89.55	85.20	88.50	88.35	88.05	86.40	83.40	82.50	81.75
Corn (1,500 lb)	91.50	99.15	97.50	99.15	96.00	95.70	93.75	94.20	93.75	93.75
Cottonseed meal (400 lb)	48.00	50.00	52.00	50.00	52.00	54.00	58.00	62.00	62.00	64.00
Alfalfa hay (800 lb)	45.20	46.00	46.40	48.00	46.80	46.00	47.20	50.80	52.80	56.00
Total feed cost	268.25	284.70	281.10	285.65	283.15	283.75	285.35	290.40	291.05	295.50
Feed handling & management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder & 1/2 feed	34.82	34.25	32.44	32.27	31.24	31.49	31.78	31.88	33.64	35.39
Death loss (1.5 per- cent of purchase)	6.34	6.09	5.68	5.60	5.37	5.36	5.19	5.18	5.58	5.95
Marketing ²	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.
Total	763.37	761.72	728.60	727.98	709.04	709.04	699.60	703.66	733.23	764.52
Selling price required to cover: ³										
Feed and feeder costs (1,056 lb) \$/cwt	65.46	65.38	62.45	62.42	60.75	60.72	59.82	60.19	62.79	65.55
All costs \$/cwt	72.29	72.13	69.00	68.94	67.14	67.14	66.25	66.63	69.43	72.40
Selling price \$/cwt ⁴	59.68	60.71	61.31	67.16						
Net margin \$/cwt	-12.61	-11.42	-7.69	-1.78						
Cost per 100-lb gain:										
Variable costs less interest \$/cwt	59.72	62.96	62.16	63.05	62.50	62.62	62.91	63.92	64.13	65.09
Feed costs \$/cwt	53.65	56.94	56.22	57.13	56.63	56.75	57.07	58.08	58.21	59.10
Prices:										
Choice feeder steer 600-700 lb										
Amarillo \$/cwt	70.50	67.62	63.07	62.25	59.72	59.58	57.72	57.54	62.00	66.12
Transportation rate \$/cwt/100 miles ⁵	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee \$/cwt	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo \$/cwt ⁶	5.57	5.97	5.68	5.90	5.89	5.87	5.76	5.56	5.50	5.45
Corn \$/cwt ⁶	6.10	6.61	6.50	6.61	6.40	6.38	6.25	6.28	6.25	6.25
Cottonseed meal \$/cwt ⁷	12.00	12.50	13.00	12.50	13.00	13.50	14.50	15.50	15.50	16.00
Alfalfa hay \$/ton ⁸	113.00	115.00	116.00	120.00	117.00	115.00	118.00	127.00	132.00	140.00
Feed handling & management charge \$/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	12.50	12.50	12.50	12.50	12.50	12.75	13.00	13.00	13.00	13.00

¹Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lbs in 180 days at 2.8 lbs per day with feed conversion of 8.4 lbs per pound gain. ²Most cattle sold f.o.b. at the feedlot with 4- percent shrink. ³Sale weight 1,056 lbs (1,100 lbs less 4-percent shrink). ⁴Choice slaughter steers, 900-1100 lbs, Texas-New Mexico direct. ⁵Converted from cents per mile for a 44,000-lb haul. ⁶Texas Panhandle elevator price plus \$0.15/cwt handling and transportation to feedlots. ⁷Average prices paid by farmers in Texas. ⁸Average price received by farmers in Texas plus \$30/ton handling and transportation to feedlots.

Feeder cattle prices are expected to strengthen through spring and remain strong in second-half 1984 as grain prices decline. Yearling feeder cattle prices are likely to average near fed cattle prices through early summer. If grain prices rise significantly this spring, reducing feeder cattle demand, feeder cattle prices could remain at a discount to fed prices until midsummer. However, if a large grain crop is harvested this fall, feeder cattle prices could again become premium to fed prices and could remain unseasonably strong this fall.

Utility cow prices are expected to remain under some pressure until forage conditions improve and the larger dairy and beef cow slaughter declines. Prices are likely to average in the mid-to-upper \$30's this winter before rising to near \$40 for the remainder of 1984. If forage conditions are very favorable and feeder cattle prices are stronger this spring, demand for stocker cows could be further strengthened. With reduced nonfed slaughter and smaller pork production, competition for processing meats could be strong from late spring through the remainder of the year, supporting cow prices.

Hogs

In 1983, the combination of lower hog prices and sharply higher feed costs greatly reduced producers' returns from a year earlier. Despite the sharp runup in prices expected last fall, feed prices were relatively stable and lower than last summer. Higher hog prices in late 1983 and early 1984, along with the steady feed prices, greatly improved producers' returns. With returns approaching the breakeven level in late fall, sow slaughter dropped as a percentage of total slaughter, probably indicating an end to the sharp liquidation that began last summer. Breeding herd numbers may plateau during the next few months.

If current hog price projections are realized and lower feed prices appear likely by next fall, producers may begin expanding the breeding herd in late spring or early summer, even though feed prices may increase in the coming months. Also, December 1983-May 1984 farrowings could be larger than December 1 intentions resulting in larger pork production in second-half 1984. The breeding herd buildup would result in increased farrowings during late fall and early winter of 1985. Larger farrowings would boost slaughter in late spring or early summer of 1985. However, if corn prices do not increase by early spring, producers may begin herd rebuilding even earlier, which would result in larger-than-projected farrowings in late summer and fall.

Hog Inventory Up, Breeding Herd Down

Although returns deteriorated during 1983, the December inventory of all hogs and pigs totaled 55.8 million head, up 3 percent from a year earlier. The market hog inventory, at 48.5 million, was up 4 percent from last year, but down 5 percent from 2 years ago. The breeding herd, at 7.35 million, was 1 percent below last year and down 6 percent from 2 years ago. The increase in the market hog inventory was due to production decisions made in late 1982 and early 1983.

The June-November U.S. pig crop was estimated at 45.5 million head, 6 percent larger than a year earlier. The number of sows farrowing rose 6 percent, while the number of pigs per litter remained unchanged. In June, producers indicated intentions to have 9 percent more sows farrow during this period. However, the drought that began in mid-July, combined with already reduced corn acreage, sharply boosted feed prices. This caused producers to reduce their breeding herds. The reduction was reflected in September-November farrowings, which

Table 14—Hogs and pigs balance sheet

Year	Dec. 1 inventory ¹	Dec.-May pig crop ¹	Total supply	Commercial slaughter Dec.-May	Other disap- pearance ²	June 1 inventory	June-Nov. pig crop	Total supply	Commercial slaughter June-Nov.	Other disap- pearance ²
<i>1,000 head</i>										
1964	62,060	47,682	109,742	43,776	6,189	58,777	39,862	99,639	39,285	4,248
1965	56,106	42,526	98,632	40,579	5,085	52,968	36,415	89,383	35,081	3,783
1966	50,519	45,471	95,990	35,331	4,462	56,197	42,132	98,329	37,238	3,966
1967	57,125	48,117	105,242	41,803	4,073	59,366	43,551	102,917	40,381	3,718
1968	58,818	49,077	107,895	43,093	4,271	60,531	45,078	105,609	41,652	3,128
1969	60,829	46,521	107,350	44,015	4,608	58,727	42,155	100,882	40,287	3,549
1970	57,046	52,126	109,172	40,749	3,784	64,639	49,588	114,227	43,326	3,616
1971	67,285	51,918	119,203	49,087	4,398	65,718	46,006	111,724	45,908	3,404
1972	62,412	47,523	109,935	45,108	4,201	60,626	43,051	103,677	41,203	3,457
1973	59,017	46,125	105,142	40,292	5,279	59,571	41,998	101,569	36,878	4,077
1974	60,614	44,792	105,406	41,183	5,345	58,878	38,952	97,830	40,194	2,943
1975	54,693	35,530	90,223	37,854	4,509	47,860	35,656	83,516	31,666	2,583
1976	49,267	42,177	91,444	34,691	2,823	53,930	42,218	96,148	38,051	3,163
1977	54,934	42,960	97,894	39,435	3,999	54,460	43,202	97,662	38,219	2,904
1978	56,539	42,481	99,020	38,947	4,833	55,240	46,031	101,271	38,462	3,453
1979	60,356	50,571	110,927	41,270	4,637	65,020	52,120	117,140	46,627	3,160
1980	67,353	52,286	119,639	49,294	5,090	65,255	49,256	114,511	46,216	3,783
1981	64,512	47,600	112,112	47,503	4,869	59,740	46,176	105,916	43,991	3,237
1982	58,688	41,026	99,714	43,938	3,566	52,210	42,995	95,205	39,646	1,624
1983	53,935	46,675	100,700	41,349	1,901	57,450	45,479	102,929	44,966	2,144
1984	55,819	43,850	³ 99,669							

¹December previous year. ²Includes imports, exports, death loss, farm slaughter, etc. ³Based on farrowing intentions.

Table 15—Hogs on farms December 1, farrowings and pig crops, United States

Item	1981	1982	1983	1984	1983/82	1984/83
			<i>1,000 head</i>	<i>Percent change</i>		
Inventory	58,688	53,935	55,819		+3	
Breeding	7,843	7,415	7,352		-1	
Market	50,845	46,519	48,467		+4	
Under 60 lb	19,487	18,628	18,753		+1	
60-119 lb	12,923	11,808	12,333		+4	
120-179 lb	10,437	9,282	9,771		+5	
180 + lb	7,998	6,802	7,610		+12	
Sows farrowing						
December-February	2,914	2,576	2,742		+6	
March-May	3,526	3,016	3,480		+15	
December-May	6,440	5,592	6,221	¹ 5,900	+11	-5
June-August	3,196	2,851	3,149		+10	
September-November	3,062	2,951	2,992		+1	
June-November	6,258	5,802	6,140		+6	
Pig crops						
December-February	21,046	18,372	20,365		+11	
March-May	26,554	22,654	26,400		+17	
December-May	47,600	41,026	46,765	² 43,850	+14	-7
June-August	23,540	21,088	23,178		+10	
September-November	22,636	21,907	22,301		+2	
June-November	46,176	42,995	45,479		+6	
			<i>Number</i>			
Pigs per litter						
December-February	7.22	7.13	7.43		+4	
March-May	7.53	7.51	7.59		+1	
December-May	7.39	7.34	7.52	² 7.43	+2	-1
June-August	7.37	7.40	7.36		-1	
September-November	7.39	7.42	7.45		0	
June-November	7.38	7.41	7.41		0	

¹Intentions. ²Average number of pigs per litter with allowance for trend.

Table 16—Hogs on farms December 1, farrowings and pig crops, 10 States

Item	1981	1982	1983	1984	1983/82	1984/83
			<i>1,000 head</i>	<i>Percent change</i>		
Inventory	45,970	42,440	43,430		+2	
Breeding	6,021	5,670	5,605		+1	
Market	39,949	36,770	37,825		+3	
Under 60 lb	15,379	14,745	14,556		+1	
60+119 lb	10,124	9,259	9,649		+4	
120+179 lb	8,234	7,453	7,723		+4	
180 + lb	6,212	5,313	5,897		+11	
Sows farrowing						
December-February	2,192	1,977	2,090	¹ 2,025	+6	+3
March-May	2,750	2,391	2,768	¹ 2,535	+16	+8
December-May	4,942	4,368	4,858	¹ 4,560	+11	+6
June-August	2,461	2,199	2,400		+9	
September-November	2,418	2,363	2,370		0	
June-November	4,879	4,562	4,770		+5	
Pig crops						
December-February	15,863	14,059	15,543		+11	
March-May	20,741	17,943	21,063		+17	
December-May	36,604	32,002	36,606		+14	
June-August	18,134	16,254	17,675		+9	
September-November	17,853	17,548	17,611		0	
June-November	35,987	33,802	35,286		+4	
			<i>Number</i>			
Pigs per litter						
December-February	7.24	7.11	7.44		+5	
March-May	7.54	7.50	7.61		+1	
December-May	7.41	7.33	7.54		+3	
June-August	7.37	7.39	7.36		0	
September-November	7.38	7.43	7.43		0	
June-November	7.38	7.41	7.40		0	

¹Intentions.

Table 17—Breeding inventory, June 1 and December 1, and sow farrowings, by quarter, United States

Year	Breeding inventory June 1	Sows farrowed				Breeding inventory Dec. 1 ¹	Sows farrowed			
		June-August		September-November			December-February		March-May	
		Number	Percentage of June 1 breeding	Number	Percentage of June 1 breeding		Number	Percentage of Dec. 1 breeding	Number	Percentage of Dec. 1 breeding
		1,000 head	Percent	1,000 head	Percent		1,000 head	Percent	1,000 head	Percent
1970	10,630	3,476	32.7	3,400	32.0	9,189	2,718	29.6	4,389	47.8
1971	9,748	3,211	32.9	3,128	32.1	9,645	2,984	30.9	4,253	44.1
1972	9,147	3,001	32.8	2,972	32.5	8,475	2,627	31.0	3,871	45.7
1973	8,988	2,957	32.9	2,912	32.4	8,650	2,678	31.0	3,760	43.5
1974	8,823	2,859	32.4	2,617	29.7	8,605	2,652	30.8	3,663	42.6
1975	7,358	2,507	34.1	2,445	33.2	7,389	2,159	29.2	2,814	38.1
1976	8,388	2,965	35.3	2,885	34.4	7,574	2,456	32.4	3,321	43.8
1977	8,688	3,087	35.5	2,922	33.6	8,011	2,742	34.2	3,308	41.3
1978	8,857	3,176	35.9	3,222	36.4	8,604	2,752	32.0	3,282	38.1
1979	10,368	3,765	36.3	3,541	34.2	9,605	3,184	33.1	3,995	41.6
1980	9,481	3,399	35.9	3,430	36.2	9,655	3,317	34.4	3,913	40.5
1981	8,358	3,196	38.2	3,062	36.6	9,148	2,914	31.9	3,526	38.5
1982	7,419	2,851	38.4	2,951	39.8	7,843	2,576	32.8	3,016	38.5
1983	8,074	3,149	39.0	2,992	37.1	7,415	2,742	37.0	3,480	46.9

¹Previous year.

Table 18—Winter pig crop and hog slaughter

Year	Dec.-Feb. pig crop	July-Sept. commercial hog slaughter	Slaughter as percent of pig crop
	1,000 head		Percent
1970	19,771	20,619	104.3
1971	20,959	22,308	106.4
1972	19,252	19,441	101.0
1973	19,050	16,875	88.6
1974	18,509	19,705	106.5
1975	15,287	15,307	100.1
1976	17,572	17,982	102.3
1977	18,532	18,293	98.7
1978	18,807	18,554	98.7
1979	21,897	22,083	100.8
1980	23,682	22,158	93.6
1981	21,046	21,277	101.1
1982	18,372	18,940	103.1
1983	20,365	21,291	104.5

Table 19—Spring pig crop and hog slaughter

Year	March-May pig crop	Oct.-Dec. commercial hog slaughter	Slaughter as percent of pig crop
	1,000 head		Percent
1970	32,355	25,271	78.1
1971	30,959	24,264	78.4
1972	28,271	21,616	76.5
1973	27,075	20,217	74.7
1974	26,283	20,893	79.5
1975	20,243	16,813	83.1
1976	24,605	21,549	87.6
1977	24,428	20,497	83.9
1978	23,674	20,316	85.8
1979	28,674	25,237	88.0
1980	28,604	24,641	86.1
1981	26,554	24,026	90.5
1982	22,654	20,825	91.9
1983	26,400	24,337	92.2

were up only 1 percent from a year earlier. On June 1, producers in the 10 quarterly reporting States indicated intentions of having 8 percent more sows farrow during September-November, but by September 1, producers reduced their intentions to only a 4-percent increase. Actual sow farrowings in the 10 quarterly reporting States during September-November were unchanged from a year earlier.

On December 1, producers indicated intentions to have 5 percent fewer sows farrow during December 1983-May 1984. Producers in the 10 quarterly reporting States indicated intentions to reduce sow farrowings by 3 percent during December 1983-February 1984 and by 8 percent in March-May. Higher-than-expected hog prices in late fall and early winter, along with steady to lower feed prices, may encourage producers to have more sows farrow than indicated in the December intentions.

Pork Production To Decline in 1984

Hog slaughter in the first quarter is drawn largely from the December 1 inventory of market hogs weighing 60-179 pounds, which was up 5 percent from a year earlier. However, the June-August pig crop, which is normally slaughtered in the winter, was up 10 percent. So, first-quarter slaughter is projected to be 7 to 9 percent above last year. In 1983, producers were building their breeding herds, which are expected to plateau this year. Thus, sows are expected to make up a higher percentage of the slaughter. In first-quarter 1983, sows accounted for only 4.2 percent of the slaughter, compared with 5 percent over the previous 5 years. Slaughter weights may be slightly lower than a year ago due to higher feed costs. Nonetheless, commercial production in the first quarter is estimated at about 3,750 million pounds, up 8 percent from a year ago.

Slaughter in the spring is drawn largely from the December market hogs weighing under 60 pounds, which were up 1 percent from a year earlier. Second-quarter slaughter is forecast to be about the same as a year earli-

er. If prospects continue for a large corn crop and, consequently, lower grain prices, producers may begin retaining gilts to increase the late fall 1984 or early winter 1985 farrowings. This retention could reduce slaughter. The extent of gilt retention will depend largely on feed and hog prices. Because of current high feed costs, the average dressed weight is projected to average 1 to 3 pounds lighter than 1983's 174 pounds. So, commercial production in second-quarter 1984 is projected to be about 3,675 million pounds, down 1 percent from a year ago.

Prices To Decline, Then Rise Sharply

Reduced red meat supplies, especially in the second half of 1984, and rising real per capita disposable incomes, will boost hog prices moderately in 1984. Hog prices are projected to be sharply higher in the second half of this year and may average \$49 to \$55 for the entire year, compared with \$48 in 1983.

In first-quarter 1984, hog prices may average \$46 to \$49 per cwt, compared with \$55 last year. Prices in January averaged \$50, but began to break as production rose in February. In addition to the rising red meat production, hog prices will be pressured by seasonally rising slaughter rates through April. Hog prices are expected to reach a seasonal low and may drop to the low \$40's in April. However, prices are expected to rise as production drops seasonally in late spring. Prices in the second quarter may average slightly higher than in the first quarter (\$47 to \$51 per cwt). Second quarter 1983 prices averaged \$47.

1983 Hog Feeding Margins Negative

Substantially lower hog prices, combined with higher feed costs, resulted in negative feeding margins for feeder pig finishers in the Corn Belt during every month in 1983, except February. Due mainly to declining feeder pig prices, feeding margins improved from the minus \$13 per head in June to a minus \$2 in December. In 1982, feeding margins were positive in 8 months.

Hog feeding margins turned positive in January 1984 and may be near breakeven in February. The turnaround in feeding margins has strengthened feeder pig prices. Prices in Southern Missouri for pigs weighing 40 to 50 pounds rose from the low \$20's per head in October to the low \$40's in February. Feeder pig prices are expected to be much stronger in 1984 and may reach the low \$50's per head in early summer.

Large Hog Operations Account for Over Half of Inventory

In 1983, large hog operations of 500 head and over accounted for 6 percent of all operations. This size group raised its share of the total hog inventory to 51 percent. In 1978, this group accounted for 4 percent of all hog operations was 37 percent of the inventory. From 1978 to 1983, the number of hog operations shrank by over a fourth to 466,410. In 1983, operations of 100 head and over accounted for 89 percent of the inventory. However, small operations (1 to 99 head) accounted for nearly three-fourths total operations.

Table 20—Federally inspected hog slaughter

1983 Week ended	1982	1983	1984
<i>Thousands</i>			
Jan. 1 ¹	1,428	1,204	1,350
8	1,881	1,457	1,418
15	1,656	1,564	1,708
22	1,643	1,561	
29	1,623	1,519	
Feb. 5	1,552	1,350	
12	1,650	1,467	
19	1,484	1,491	
26	1,652	1,449	
Mar. 5	1,698	1,544	
12	1,676	1,646	
19	1,663	1,584	
26	1,705	1,546	
Apr. 2	1,609	1,558	
9	1,606	1,607	
16	1,608	1,738	
23	1,656	1,704	
30	1,640	1,694	
May. 7	1,596	1,659	
14	1,610	1,642	
21	1,553	1,607	
28	1,532	1,558	
June 4	1,279	1,390	
11	1,561	1,617	
18	1,467	1,528	
25	1,416	1,510	
July 2	1,394	1,557	
9	1,162	1,348	
16	1,434	1,538	
23	1,352	1,493	
30	1,357	1,535	
Aug. 6	1,398	1,476	
13	1,391	1,540	
20	1,424	1,535	
27	1,400	1,473	
Sept. 3	1,411	1,613	
10	1,286	1,435	
17	1,527	1,772	
24	1,418	1,716	
Oct. 1	1,501	1,732	
8	1,482	1,841	
15	1,536	1,844	
22	1,599	1,895	
29	1,614	1,844	
Nov. 5	1,620	1,927	
12	1,677	1,955	
19	1,650	1,981	
26	1,310	1,593	
Dec. 3	1,676	1,944	
10	1,523	1,941	
17	1,588	1,804	
24	1,278	1,465	

¹Corresponding dates-1982: January 2, 1982; 1983: January 1, 1983; 1984: December 31, 1983.

Table 22—Corn Belt hog feeding¹

Purchased during Marketed during	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept. Jan. 84	Oct. Feb.	Nov. Mar.	Dec. Apr.
<i>Dollars per head</i>										
Expenses:										
40-lb feeder pig	52.36	43.74	35.14	26.05	21.24	24.01	22.96	22.27	24.54	27.65
Corn (11 bu)	29.15	32.12	33.33	33.40	34.10	37.18	35.97	34.10	34.32	34.65
Protein supplement (130 lb)	19.70	20.34	20.15	19.96	19.56	20.93	22.75	22.04	22.30	22.04
Labor & management (1.3 hr)	10.48	10.48	10.48	10.48	10.48	10.48	10.48	10.48	10.48	10.48
Vet medicine ³	2.59	2.60	2.61	2.61	2.61	2.62	2.62	2.62	2.63	2.65
Interest on purchase (4 months)	2.50	1.99	1.60	1.19	.95	1.08	1.03	1.02	1.12	1.26
Power, equip., fuel, shelter, depreciation ³	6.28	6.31	6.34	6.35	6.34	6.36	6.38	6.37	6.40	6.45
Death loss (4% of purchase)	2.09	1.75	1.41	1.04	.84	.96	.92	.89	.98	1.11
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscel. & indirect costs ³	.64	.65	.64	.65	.65	.65	.65	.65	.66	.66
Total	127.41	121.60	113.32	103.35	98.39	105.89	105.38	102.06	105.05	108.57
Selling price/cwt required to cover:										
Feed and feeder costs (220 lb) \$/cwt	46.00	43.73	40.28	36.10	34.05	37.33	37.13	35.64	36.89	38.34
Selling price/cwt required to cover all costs (220 lb) \$/cwt.	57.91	55.27	51.51	46.98	44.72	48.13	47.90	46.39	47.75	49.35
Feed cost per 100-lb gain (180 lb) \$/cwt	27.14	29.14	29.71	29.64	29.81	32.28	32.62	31.19	31.46	31.49
Barrows and gilts ⁷ markets \$/cwt	45.66	49.35	45.70	41.38	38.79	46.37	49.91			
Net margin \$/cwt	-12.25	-5.92	-5.81	-5.60	-5.93	-1.76	+2.01			
Prices:										
40-lb feeder pig (So. Missouri) \$/head	52.36	43.74	35.14	26.05	21.24	24.01	22.96	22.27	24.54	27.65
Corn \$/bu ⁴	2.68	2.92	3.03	3.04	3.10	3.38	3.27	3.10	3.12	3.15
38-42% protein supp. \$/cwt ⁵	15.15	15.65	15.50	15.35	15.05	16.10	17.50	16.95	17.15	16.95
Labor & management \$/hr ⁶	8.06	8.06	8.06	8.06	8.06	8.06	8.06	8.06	8.06	8.06
Interest rate (annual)	14.35	13.66	13.66	13.66	13.49	13.49	13.49	13.70	13.70	13.70
Transportation rate \$/cwt (100 miles) ⁷	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses \$/cwt ⁸	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1091	1096	1100	1102	1100	1104	1107	1106	1111	1119

¹Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. ²Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. ³Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. ⁴Average price received by farmers in Iowa and Illinois. ⁵Average prices paid by farmers in Iowa and Illinois. ⁶Assumes an owner-operator receiving twice the farm labor rate. ⁷Converted from cents/mile for a 44,000-pound haul. ⁸Yardage plus commission fees at a Midwest terminal market.

Table 21 – Commercial hog slaughter¹ and production

Year	Barrows and gilts	Sows	Boars	Total ²	Average dressed weight	Commercial-production ²
		1,000 head			Lb	Mil. lb
1981:						
I	22,268	1,145	265	23,678	172	4,073
II	21,164	1,145	285	22,594	172	3,881
III	19,725	1,277	276	21,278	169	3,605
IV	22,534	1,236	255	24,025	173	4,157
Year	85,691	4,803	1,081	91,575	172	15,716
1982:						
I	20,347	1,093	274	21,714	170	3,693
II	19,498	956	258	20,712	171	3,550
III	17,668	1,030	242	18,940	171	3,240
IV	19,583	1,023	219	20,825	175	3,638
Year	77,096	4,102	993	82,191	172	14,121
1983: ³						
I	19,139	852	220	20,211	172	3,483
II	20,104	1,054	245	21,403	174	3,726
III	19,568	1,449	275	21,292	171	3,644
IV	22,810	1,290	236	24,336	173	4,208
Year	81,621	4,645	976	87,242	173	15,061

¹Classes estimated. ²Totals may not add due to rounding. ³Preliminary.

Sheep and Lambs

The inventory of all sheep and lambs fell in 1983, continuing the long downturn since peaking at 56.2 million head in 1942. The long decline was broken slightly in the early 1980's as lamb and wool prices jumped sharply and producers' returns were among the best of the livestock enterprises. However, after reaching a historical high in 1979, lamb prices slumped sharply in 1981 and producers' returns became less favorable. The inventory began to decline in 1982/83 again partly due to a severe drought in Texas, the largest sheep producing State.

Sheep production has remained relatively important in the Western States to utilize forage supplies that otherwise would have little or no market value. In the Eastern States, small herds are also kept on land having forage of little market value. In 1984, prospects are a little brighter for sheep producers because higher lamb and wool prices and lower feed costs are likely. The drought in Texas was broken last fall.

Table 23—Sheep: Number by classes, value per head, and total value, United States, January 1, 1982-84

Class	1982	1983	1984	1984/1983
	1,000 head		Percent	
All sheep and lambs ¹	12,966	12,026	11,411	95
On feed	1,564	1,641	1,708	104
Stock sheep	11,402	10,385	9,703	93
Lambs				
Ewes	1,805	1,407	1,288	87
Wethers and rams	422	340	316	93
One year old and older:				
Ewes	8,788	8,267	7,820	95
Wethers and rams	388	372	339	91

¹New-crop lambs are not included in sheep and lamb inventory estimates.

Inventory Drops Sharply

The inventory of sheep and lambs on January 1, 1984, totaled 11.4 million head, down 5 percent from last year. The stock sheep inventory, which is the foundation herd, totaled 9.7 million head, 7 percent below 1983. The largest drop in stock sheep numbers was in Texas, where the inventory dropped by 250,000 head. Among the top 10 sheep producing States, only Wyoming and South Dakota, States not affected by the drought, registered increases. The 1983 lamb crop of 8.15 million head was 5 percent below a year earlier. The 1983 lambing rate was 99 lambs per 100 ewes one year and older, compared with 98 in 1982 and 101 in 1981.

Production Up; Prices Rally At Year's End

Commercial production of lamb and mutton totaled 367 million pounds in 1983, up 3 percent and the fourth consecutive year of increase. This was due to continuing liquidation because the 1983 lamb crop was 5 percent below a year earlier. Farm prices of lambs averaged \$55 per cwt, the same as in 1982. However, mature sheep prices dropped \$3 per cwt from the \$20 registered in 1982. Mature sheep prices were the lowest since 1977. Although lamb prices for the year averaged the same as in 1982, the quarterly price pattern was very different. Prices were higher in the first and fourth quarters of 1983 than in 1982, but lower in the second and third.

1984 Production Expected To Decline, Prices To Rise

There were 1.71 million sheep and lambs on feed in the 24 major feeding States on January 1, 1984, up 4 percent from a year ago. However, with a 5-percent smaller lamb crop from which first quarter slaughter is drawn, commercial lamb and mutton production is expected to total 93 million pounds in first-quarter 1984, the same as a year ago.

Commercial slaughter in the second quarter is drawn largely from lambs born after September 30 of the previous year but on hand January 1. The number of these new-crop lambs totaled 886,000 head, down 5 percent from a year ago. So, spring commercial slaughter is expected to total 84 million pounds, down 6 percent from last year.

The 1984 lamb crop will provide the animals for slaughter during the spring, summer, and fall of 1984. If the 1984 lambing rate is the same as the past 3 years, given the 7.82 million head of ewes one year old and older, the 1984 lamb crop would be 7.77 million head, down 5 percent. So, for all of 1984, commercial lamb and mutton production is expected to total about 345 million pounds, down 6 percent from a year ago. However, the number of spring lambs sold versus the number that will be placed on feed and sold in first-quarter 1985 will depend in part on forage conditions during this spring and summer.

Slaughter lamb prices at San Angelo in 1984 are expected to strengthen and may average \$57 to \$63 per cwt, compared with \$57 in 1983. The strength throughout the red meat complex, the recovering economy, and smaller lamb production are the contributing factors. In the first quarter, slaughter lamb prices are forecast to average \$59 to \$62, compared with \$60 last year. Prices have averaged \$60 through mid-February, but may move up seasonally as the Easter/Passover season approaches. In the second quarter, the decline in production, along

with the seasonal change from fed lambs to spring lambs, should improve prices to \$60 to \$64 per cwt, compared with \$61 a year ago.

Table 24—Commercial sheep and lamb slaughter¹ and production

Year	Lambs and yearlings	Mature sheep	Total ²	Average dressed weight	Commercial production ²
	1,000 head			Lb	Million lb
1981:					
I	1,383	66	1,449	58	84
II	1,315	124	1,439	54	77
III	1,392	129	1,521	52	79
IV	1,499	100	1,599	54	87
Year	5,589	419	6,008	54	327
1982:					
I	1,521	81	1,602	56	90
II	1,406	131	1,537	55	85
III	1,500	128	1,628	54	88
IV	1,555	127	1,681	55	93
Year	5,982	467	6,449	55	356
1983: ³					
I	1,531	93	1,624	57	93
II	1,441	133	1,574	57	89
III	1,595	142	1,737	54	94
IV	1,554	125	1,679	54	91
Year	6,121	493	6,614	55	367

¹Class estimated. ²May not add due to rounding. ³Preliminary.

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Table 25—Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share¹

Year	Retail price ²	Gross carcass value ³	Carcass by-product allowance ⁴	Net carcass value ⁵	Gross farm value ⁶	Farm by-product allowance ⁷	Net farm value ⁸	Farm-retail spread			
								Total	Carcass-retail	Farm-Carcass	Farmers' share ⁹
	<i>Cents per lb</i>	<i>Percent</i>									
1979	226.3	153.3	2.8	150.5	163.4	22.6	140.8	85.5	75.8	9.7	62
1980	237.6	157.7	2.3	155.4	161.9	16.9	145.0	92.6	82.2	10.4	61
1981 ¹⁰	238.7	151.5	2.1	149.3	154.5	16.0	138.5	100.2	89.4	10.8	58
1982	242.5	152.8	2.1	150.7	155.5	15.0	140.5	102.0	91.8	10.2	58
1983	238.1	147.4	2.0	145.4	151.8	15.6	136.2	101.9	92.7	9.2	57
1983											
I	237.9	146.7	1.7	144.9	149.9	13.5	136.4	101.5	93.0	8.5	58
II	245.1	158.0	2.0	156.1	162.9	15.5	147.4	97.7	89.0	8.7	60
III	238.4	142.8	2.1	140.7	147.0	16.5	130.5	107.9	97.7	10.2	55
IV	231.1	142.0	2.0	140.0	147.4	16.8	130.7	100.4	91.1	9.3	57
1983											
Jan.	236.9	142.1	1.6	140.5	144.7	13.2	131.5	105.4	96.4	9.0	56
Feb.	238.7	145.7	1.7	144.0	148.9	13.4	135.5	103.2	94.7	8.5	57
Mar.	238.1	152.2	1.9	150.3	156.1	14.0	142.1	96.0	87.8	8.2	60
Apr.	244.5	162.4	2.1	160.3	166.6	15.6	151.0	93.5	84.2	9.3	62
May	246.7	157.8	1.9	155.9	163.4	15.6	147.8	98.9	90.8	8.1	60
June	244.1	153.9	1.9	152.0	158.6	15.3	143.3	100.8	92.1	8.7	59
July	242.0	147.3	1.8	145.5	151.4	15.7	135.7	106.3	96.5	9.8	56
Aug.	238.6	142.7	2.3	140.4	147.8	17.3	130.5	108.1	98.2	9.9	55
Sept.	234.7	138.4	2.3	136.1	141.9	16.6	125.3	109.4	98.6	10.8	53
Oct.	231.8	137.7	1.9	135.8	143.2	16.2	127.0	104.8	96.0	8.8	55
Nov.	231.1	138.0	2.0	136.0	143.7	17.1	126.6	104.5	95.1	9.4	55
Dec.	230.3	150.5	2.2	148.3	155.4	17.0	138.4	91.9	82.0	9.9	60

¹Revised series. ²Estimated weighted-average price of retail cuts from Choice Yield Grade 3 carcass. ³Value of carcass-quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.464 was used prior to 1970; it was increased gradually to 1.476 in 1976 and later years. ⁴Portion of gross carcass value attributed to fat and bone trim. ⁵Gross carcass value minus carcass byproduct allowance. ⁶Market value to producer for 2.4 pounds of live-animal, equivalent to 1 lb of retail cuts. ⁷Portion of gross farm value attributed to edible and inedible byproducts. ⁸Gross farm value minus farm byproduct allowance. ⁹Percent net farm value is of retail price. ¹⁰ERS data through May 1981, BLS series since June.

Table 26—Pork: Retail, wholesale, and farm values, spreads, and farmers' share¹

Year	Retail price ²	Wholesale value ³	Gross farm value ⁴	Byproduct allowance ⁵	Net farm value ⁶	Farm-retail spread			
						Total	Wholesale-retail	Farm-wholesale	Farmers' share ⁷
	<i>Cents per lb</i>								<i>Percent</i>
1979	144.1	100.4	72.2	5.6	66.6	77.5	43.7	33.8	46
1980	139.4	98.0	68.3	5.1	63.2	76.2	41.4	34.8	45
1981 ⁸	152.4	106.7	75.5	5.2	70.3	82.1	45.7	36.4	46
1982	175.4	121.8	94.3	6.3	88.0	87.4	53.6	33.8	50
1983	169.8	108.9	81.4	4.9	76.5	93.3	60.9	32.4	45
1983									
I	183.0	119.3	93.8	5.7	88.1	94.9	63.6	31.3	48
II	171.1	106.9	79.6	4.9	74.7	96.4	64.2	32.2	44
III	165.4	105.6	79.6	5.0	74.7	90.7	59.8	30.9	45
IV	159.8	103.8	72.8	4.3	68.5	91.3	56.0	35.3	43
1983									
Jan.	185.0	121.6	96.5	5.9	90.6	94.4	63.4	31.0	49
Feb.	183.3	122.3	98.2	5.8	92.4	90.9	61.0	29.9	50
Mar.	180.7	114.2	86.6	5.3	81.3	99.4	66.5	32.9	45
Apr.	173.9	108.8	80.8	5.1	75.7	98.2	65.1	33.1	44
May	171.1	106.0	80.2	5.0	75.2	95.9	65.1	30.8	44
June	168.2	105.8	77.7	4.6	73.1	95.1	62.4	32.7	43
July	166.6	104.2	77.7	4.5	73.2	93.4	62.4	31.0	44
Aug.	165.7	109.1	83.7	5.3	78.4	87.3	56.6	30.7	47
Sept.	163.9	103.4	77.5	5.1	72.4	91.5	60.5	31.0	44
Oct.	162.3	99.8	70.6	4.2	66.4	95.9	62.5	33.4	41
Nov.	159.0	100.8	66.4	4.0	62.4	96.6	58.2	38.4	39
Dec.	158.1	110.8	81.3	4.7	76.6	81.5	47.3	34.2	48

¹Revised series. ²Estimated weighted-average price of retail cuts from pork carcass. ³Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used for all years. ⁴Market values to producer for 1.7 pounds of live-animal, equivalent to 1 lb of retail cuts. ⁵Portion of gross farm value attributable to edible and inedible byproducts. ⁶Gross farm value minus byproduct allowance. ⁷Percent net farm value is of retail price. ⁸ERS data through May 1981, BLS series since June.

Table 27—Average retail price of specified meat cuts, per pound, by months¹

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
<i>Cents</i>												
CHOICE BEEF:												
Ground chuck												
1981	1.86	1.83	1.82	1.78	1.78	1.78	1.76	1.80	1.82	1.80	1.81	1.81
1982	1.79	1.80	1.77	1.77	1.78	1.82	1.79	1.76	1.77	1.75	1.74	1.75
1983	1.75	1.77	1.76	1.77	1.78	1.77	1.72	1.72	1.69	1.69	1.68	1.68
Chuck roast, bone in												
1981	1.86	1.85	1.83	1.78	1.79	1.79	1.82	1.82	1.84	1.81	1.83	1.78
1982	1.77	1.81	1.77	1.80	1.78	1.86	1.84	1.80	1.80	1.74	1.76	1.76
1983	1.75	1.78	1.79	1.85	1.85	1.76	1.74	1.69	1.71	1.62	1.62	1.65
Round roast, boneless												
1981	2.64	2.62	2.60	2.59	2.62	2.62	2.64	2.65	2.63	2.64	2.63	2.63
1982	2.58	2.62	2.61	2.65	2.72	2.77	2.71	2.62	2.62	2.56	2.58	2.59
1983	2.60	2.59	2.57	2.67	2.65	2.59	2.58	2.50	2.46	2.48	2.50	2.45
Rib roast, bone in												
1981	3.03	2.95	2.96	2.91	3.00	2.98	3.06	3.07	3.12	3.07	3.07	3.09
1982	3.12	3.07	3.07	3.07	3.20	3.36	3.39	3.36	3.31	3.25	3.19	3.21
1983	3.19	3.18	3.12	3.26	3.33	3.30	3.30	3.33	3.26	3.23	3.19	3.20
Round steak, boneless												
1981	2.83	2.84	2.80	2.80	2.82	2.86	2.89	2.90	2.86	2.94	2.92	2.90
1982	2.88	2.84	2.90	2.95	2.99	3.14	3.02	2.96	3.00	2.93	2.94	2.90
1983	2.92	2.94	2.91	2.96	3.04	2.95	2.94	2.85	2.81	2.82	2.83	2.81
Sirloin steak, bone in												
1981	2.92	2.88	2.89	2.88	3.04	3.06	3.21	3.12	3.16	3.04	2.84	2.85
1982	2.88	2.92	2.92	3.05	3.16	3.36	3.36	3.23	3.20	2.96	2.88	2.78
1983	2.84	2.94	2.95	3.10	3.20	3.23	3.22	3.18	3.11	3.00	2.98	2.92
Chuck steak, bone in												
1981	1.73	1.73	1.71	1.72	1.77	1.69	1.69	1.73	1.76	1.78	1.76	1.74
1982	1.74	1.78	1.82	1.82	1.87	1.84	1.84	1.89	1.84	1.77	1.76	1.80
1983	1.79	1.82	1.83	1.86	1.81	1.74	1.74	1.68	1.70	1.74	1.68	1.72
T-Bone steak, bone in												
1981	3.63	3.51	3.56	3.58	3.71	3.79	4.00	3.96	3.90	3.82	3.72	3.61
1982	3.62	3.59	3.61	3.77	3.90	4.11	4.13	4.05	3.94	3.79	3.69	3.56
1983	3.62	3.70	3.71	3.76	3.89	3.97	3.97	3.93	3.79	3.68	3.82	3.68
Porterhouse steak, bone in												
1981	3.75	3.74	3.76	3.68	3.80	3.96	4.12	3.97	3.98	3.84	3.71	3.79
1982	3.76	3.77	3.71	3.78	4.09	4.18	4.22	4.11	4.10	3.85	3.77	3.65
1983	3.74	3.66	3.81	3.92	3.90	4.12	4.09	4.11	3.94	3.78	3.66	3.79
PORK												
Bacon, sliced												
1981	1.67	1.64	1.60	1.53	1.55	1.60	1.67	1.69	1.75	1.78	1.77	1.75
1982	1.75	1.81	1.82	1.89	1.98	2.07	2.10	2.20	2.36	2.33	2.19	2.13
1983	2.12	2.15	2.07	2.00	1.95	1.91	1.92	1.88	1.91	1.86	1.77	1.76
Chops, center cut												
1981	2.11	2.08	2.07	2.06	2.01	2.08	2.20	2.23	2.22	2.23	2.16	2.13
1982	2.20	2.21	2.18	2.25	2.33	2.43	2.50	2.51	2.54	2.53	2.52	2.43
1983	2.48	2.53	2.46	2.43	2.42	2.33	2.36	2.35	2.32	2.30	2.28	2.24
Ham, rump or shank half												
1981	1.33	1.27	1.23	1.19	1.23	1.23	1.34	1.37	1.40	1.38	1.36	1.38
1982	1.38	1.35	1.40	1.32	1.39	1.43	1.43	1.41	1.53	1.56	1.58	1.63
1983	1.60	1.55	1.58	1.43	1.32	1.32	1.34	1.32	1.31	1.28	1.25	1.31
Ham, rump portion												
1981	1.23	1.15	1.14	1.07	1.07	1.14	1.16	1.22	1.24	1.24	1.26	1.26
1982	1.25	1.28	1.31	1.26	1.34	1.30	1.38	1.37	1.45	1.55	1.54	1.58
1983	1.57	1.45	1.50	1.36	1.38	1.34	1.25	1.34	1.31	1.36	1.30	1.37
Ham, shank portion												
1981	1.10	1.06	1.04	1.00	1.02	1.04	1.07	1.12	1.14	1.16	1.16	1.18
1982	1.12	1.13	1.15	1.11	1.23	1.22	1.27	1.30	1.34	1.47	1.44	1.44
1983	1.46	1.31	1.36	1.14	1.18	1.14	1.15	1.17	1.13	1.20	1.15	1.18
Shoulder roast, blade Boston												
1981	1.42	1.37	1.32	1.34	1.31	1.35	1.55	1.55	1.55	1.55	1.51	1.41
1982	1.42	1.46	1.46	1.40	1.48	1.57	1.69	1.72	1.77	1.71	1.74	1.65
1983	1.69	1.63	1.60	1.63	1.49	1.52	1.53	1.47	1.46	1.39	1.42	1.37

Continued—

Table 27—Average retail price of specified meat cuts, per pound, by months¹—Continued

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
<i>Cents</i>												
Sirloin roast, bone in												
1981	1.56	1.52	1.51	1.50	1.50	1.52	1.63	1.64	1.61	1.63	1.58	1.60
1982	1.59	1.60	1.62	1.65	1.69	1.76	1.82	1.80	1.82	1.81	1.80	1.75
1983	1.78	1.79	1.76	1.69	1.69	1.70	1.64	1.68	1.66	1.60	1.57	1.52
Shoulder picnic, bone in												
1981	1.07	1.00	1.00	.99	.98	1.01	1.05	1.08	1.11	1.09	1.08	1.07
1982	1.10	1.09	1.08	1.12	1.11	1.14	1.18	1.19	1.22	1.20	1.18	1.18
1983	1.17	1.15	1.13	1.09	1.06	1.03	1.03	.99	.98	.98	1.00	.98
Sausage, fresh, pork, loose												
1981	1.59	1.58	1.57	1.56	1.53	1.52	1.60	1.65	1.64	1.66	1.66	1.69
1982	1.72	1.76	1.79	1.79	1.82	1.89	1.95	1.96	2.01	1.99	1.94	1.92
1983	1.95	1.97	1.96	1.95	1.97	1.97	1.87	1.84	1.77	1.76	1.73	1.72
MISCELLANEOUS CUTS												
Ham, canned, 3 or 5 lbs												
1981	2.54	2.50	2.45	2.38	2.40	2.38	2.39	2.42	2.48	2.50	2.52	2.54
1982	2.56	2.59	2.57	2.54	2.60	2.62	2.66	2.66	2.67	2.75	2.80	2.82
1983	2.87	2.87	2.88	2.83	2.76	2.69	2.65	2.58	2.58	2.61	2.54	2.55
Frankfurters, all meat												
1981	1.82	1.81	1.77	1.74	1.69	1.72	1.74	1.80	1.77	1.78	1.79	1.78
1982	1.76	1.76	1.74	1.75	1.78	1.83	1.86	1.87	1.87	1.88	1.86	1.84
1983	1.84	1.84	1.86	1.84	1.83	1.80	1.81	1.81	1.76	1.77	1.76	1.76
Bologna												
1981	2.21	2.18	2.11	2.10	2.03	2.06	2.10	2.12	2.11	2.13	2.10	2.11
1982	2.08	2.09	2.15	2.16	2.18	2.25	2.29	2.28	2.23	2.27	2.30	2.24
1983	2.21	2.18	2.21	2.23	2.22	2.25	2.17	2.14	2.12	2.14	2.14	2.11
Beef liver												
1981	1.20	1.17	1.12	1.13	1.15	1.15	1.14	1.12	1.10	1.10	1.09	1.07
1982	1.00	1.02	1.05	1.05	1.04	1.03	1.04	1.01	.99	1.00	.99	.99
1983	.98	.94	.96	.93	1.02	1.01	1.00	1.00	.96	.94	.95	.96

¹Data from two series are included; the discontinued series (effective May, 1981) and a Bureau of Labor Statistics (BLS) series that replaces it. The cut names and prices are from BLS.

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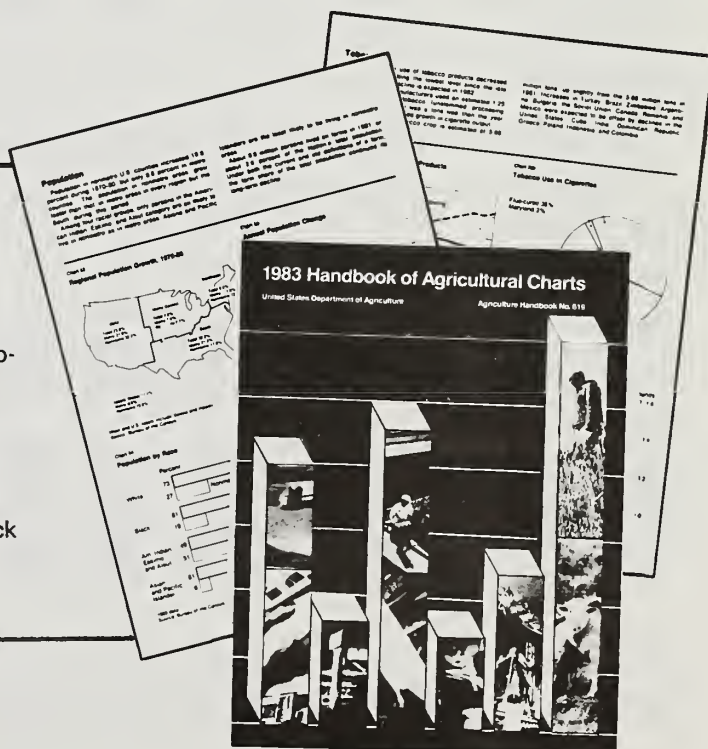


Table 28—Selected price statistics for meat animals and meat

Item	1983											
	Apr.	May	June	II	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV
<i>Dollars per cwt</i>												
SLAUGHTER STEERS:												
Omaha:												
Choice, 900-1100 lb	67.70	67.51	65.90	67.04	62.22	61.27	59.19	60.89	59.58	59.41	62.85	60.61
Good, 900-1100 lb	61.32	61.66	60.00	60.99	57.16	56.05	54.82	56.01	55.20	54.55	57.15	55.63
California, Choice 900-1100 lb	70.00	67.81	66.20	68.00	62.88	60.40	57.69	60.32	60.19	60.50	66.25	62.31
Colorado, Choice 900-1100 lb	70.57	68.69	66.61	68.62	63.41	62.32	59.68	61.80	60.20	60.82	66.25	62.42
Texas, Choice 900-1100 lb	71.36	69.17	67.03	69.19	63.76	62.37	59.68	61.94	60.71	61.31	67.16	63.06
SLAUGHTER HEIFERS:												
Omaha:												
Choice, 900-1100 lb	66.69	66.21	63.65	65.52	60.99	59.71	58.51	59.74	58.50	58.45	62.77	59.91
Good, 700-900 lb	61.59	60.90	59.23	60.57	56.99	54.74	53.52	55.08	53.66	53.55	57.32	54.84
Omaha:												
Commercial	43.01	42.84	41.84	42.56	40.75	39.39	38.00	39.38	37.98	34.68	34.16	35.61
Utility	43.04	42.98	42.26	42.76	41.14	39.63	37.75	39.51	37.42	34.14	33.58	35.05
Cutter	41.49	41.34	40.48	41.10	39.88	37.79	35.78	37.82	35.16	32.57	31.82	33.18
Canner	38.08	37.50	36.69	37.42	37.07	35.92	34.50	35.83	32.85	29.62	28.94	30.47
VEALERS:												
Choice, So. St. Paul	77.12	76.00	71.00	74.71	75.00	75.00	73.38	74.46	66.75	67.50	67.50	67.25
FEEDER STEERS:¹												
Kansas City:												
Medium No. 1, 400-500 lb	75.90	75.52	71.12	74.18	65.71	61.72	61.84	63.09	65.48	66.20	66.38	66.02
Medium No. 1, 600-700 lb	68.38	67.62	64.75	66.92	60.13	58.58	58.31	59.01	60.20	61.00	63.65	61.62
All weights and grades	65.90	63.88	60.41	63.40	58.21	57.21	55.81	57.08	56.97	58.12	61.00	58.70
Amarillo:												
Medium No. 1, 600-700 lb	67.62	63.07	62.25	64.31	59.72	59.58	57.72	59.01	57.54	62.00	66.12	61.89
Georgia auctions:												
Medium No. 1, 600-700 lb	62.50	62.00	60.90	61.80	56.83	55.50	54.00	55.44	54.00	57.20	57.33	56.18
Medium No. 2, 400-500 lb	62.38	61.25	59.90	61.18	56.75	55.10	53.12	54.99	53.88	57.90	58.33	56.70
FEEDER HEIFERS:												
Kansas City:												
Medium No. 1, 400-500 lb	63.22	62.72	60.15	62.03	57.03	51.72	51.15	53.30	52.48	54.08	55.54	54.03
Medium No. 1, 600-700 lb*	62.35	60.42	57.35	60.04	55.01	53.02	51.64	53.22	52.22	52.91	56.70	53.94
SLAUGHTER HOGS:												
Barrows and gilts:												
Omaha:												
No. 1 & 2, 200-230 lb	48.47	47.96	46.69	47.71	47.00	50.02	46.10	47.71	42.18	40.16	49.19	43.84
All weights	47.75	47.17	45.65	46.86	45.81	49.56	45.88	47.08	41.65	38.65	46.03	42.11
Sioux City	47.84	47.40	45.73	46.99	45.81	49.77	46.05	47.21	41.64	38.81	46.53	42.33
7 markets ²	47.50	47.02	45.71	46.74	45.66	49.35	45.70	46.90	41.38	38.79	46.37	42.18
Sows:												
7 markets ²	45.28	41.91	36.35	41.18	34.86	38.03	40.48	37.79	36.76	32.95	38.53	36.08
FEEDER PIGS:												
No. 1 & 2, So. Mo., 40-50 lb (per hd.)	43.74	35.14	26.05	34.98	21.24	24.01	22.96	22.74	22.27	24.54	27.65	24.82

Continued—

Table 28—Selected price statistics for meat animals and meat—Continued

Item	1983											
	Apr.	May	June	II	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV
<i>Dollars per cwt</i>												
SLAUGHTER LAMBS:												
Lambs, Choice, San Angelo	65.75	60.62	56.62	61.00	50.75	51.30	50.88	50.98	54.44	57.94	60.50	57.63
Lambs, Choice, So. St. Paul	60.00	58.90	52.24	57.05	50.74	48.88	48.74	49.45	53.85	54.50	57.62	55.32
Ewes, Good, San Angelo	20.50	14.94	14.50	16.65	17.00	14.45	11.62	14.36	13.13	17.17	18.33	16.21
Ewes, Good, So. St. Paul	10.75	8.70	8.30	9.25	13.00	10.50	10.01	11.17	9.55	9.12	11.00	9.89
FEEDER LAMBS:												
Choice, San Angelo	65.62	56.62	51.44	57.89	44.38	43.62	42.94	43.65	49.81	57.69	60.00	55.83
Choice, So. St. Paul	55.95	52.82	49.45	52.74	45.75	41.68	42.68	43.37	46.60	50.15	52.05	49.60
FARM PRICES:												
Beef cattle	59.80	58.80	58.30	58.97	54.80	54.20*	52.30	53.77	51.70	51.20	54.60	52.50
Calves	66.10	65.20	64.30	65.20	60.30	57.40*	56.10	57.93	57.10	59.20	60.60	58.97
Hogs	45.90	44.50	43.90	44.77	43.40	46.70*	44.10	44.73	40.40	37.50	44.80	40.90
Sheep	15.20	13.40	14.50	14.37	16.20	15.50	12.80	14.83	13.70	15.10	16.40	15.07
Lambs	59.60	56.70	54.20	56.83	48.90*	48.30*	47.80	48.33	50.90	55.80	57.10	54.60
MEAT PRICES:												
Wholesale:												
Central U.S. markets												
Steer beef, Choice, 600-700 lb	107.76	105.00	102.47	105.08	97.72	95.01	92.10	94.94	91.24	91.57	99.82	94.21
Heifer beef, Choice 500-600 lb	102.88	101.45	98.31	100.88	93.83	90.96	88.62	91.14	88.85	89.34	96.06	91.42
Cow beef, Canner and Cutter	84.31	83.67	82.98	83.65	81.21	81.58	75.27	79.35	71.54	67.99	70.41	69.98
Pork loins, 8-14 lb	N.A.	100.58	102.50	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Pork bellies, 12-14 lb	64.71	60.80	60.19	61.90	59.06	65.72	55.30	60.03	49.10	50.86	54.59	51.52
Hams, skinned, 14-17 lb	70.02	66.29	63.51	66.61	65.04	72.81	74.21	70.69	73.66	77.26	88.11	79.68
East Coast:												
Lamb, Choice and Prime, 35-45 lb	140.88	140.00	127.88	136.25	119.69	114.53	111.21	115.14	125.00	127.00	131.25	127.75
Lamb, Choice and Prime, 55-65 lb	132.71	126.67	125.80	128.39	119.08	114.40	115.00	116.16	125.00	127.00	131.25	127.75
West Coast:												
Steer beef, Choice, 600-700 lb	112.69	108.12	108.12	109.64	101.71	97.15	93.81	97.56	95.44	95.05	104.81	98.43
<i>Cents per lb</i>												
Retail:												
Beef, Choice	244.5	246.7	244.1	245.1	242.0	238.6	234.7	238.4	231.8	231.1	230.3	231.1
Pork	173.9	171.1	168.2	171.1	166.6	165.7	163.9	165.4	162.3	159.0	158.1	159.8
1967=100												
Price Indexes (BLS, 1967=100):												
Retail meats	273.3	272.7	270.2	272.1	267.8	264.2	262.6	264.9	260.4	258.6	258.3	259.1
Beef and veal	279.4	281.3	278.6	279.8	275.8	270.7	268.0	271.5	266.2	265.7	266.0	266.0
Pork	262.1	257.3	254.1	257.8	251.2	249.6	250.2	250.3	246.4	241.1	240.3	242.6
Other meats	268.6	267.7	267.4	267.9	266.9	264.6	262.6	264.7	262.2	262.6	261.3	262.0
Poultry	191.0	192.0	193.6	192.2	198.1	200.5	204.4	201.0	199.6	201.7	209.8	203.7
LIVESTOCK-FEED RATIOS, OMAHA³												
Beef steer-corn	21.9	21.8	21.2	21.6	19.6	18.1	17.8	18.5	18.4	18.3	19.8	18.8
Hog-corn	15.4	15.2	14.7	15.1	14.4	14.6	13.8	14.3	12.9	11.9	14.5	13.1

¹Reflects new feeder cattle grades. ²St. Louis, N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. ³Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight. * = Revised.

Table 29—Selected marketings, slaughter, and stock statistics for meat animals and meat

Item	1983									
	June	II	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV
<i>1,000 head</i>										
FEDERALLY INSPECTED:										
Slaughter										
Cattle	2,992	8,427	2,736	3,221	3,160	9,117	3,107	2,905	3,001	9,013
Steers	1,453	4,180	1,340	1,541	1,439	4,320	1,374	1,298	1,405	4,077
Heifers	898	2,433	816	966	985	2,767	939	832	809	2,580
Cows	568	1,614	513	640	668	1,821	727	715	736	2,178
Bulls and stags	72	200	68	74	68	210	67	61	52	180
Calves	211	607	214	262	258	734	259	266	262	787
Sheep and lambs	508	1,524	497	585	595	1,677	580	510	536	1,626
Hogs	6,928	20,754	6,270	7,082	7,268	20,620	7,829	8,152	7,515	23,496
<i>Percent</i>										
Percentage sows	5.9	4.9	6.9	7.3	6.3	6.8	5.5	5.1	5.3	5.3
<i>Pounds</i>										
Average live weight per head:										
Cattle	1,065	1,070	1,072	1,069	1,073	1,071	1,077	1,086	1,077	1,080
Calves	222	224	216	207	207	210	4/ 212	205	206	208
Sheep and lambs	112	114	111	111	109	110	110	112	111	111
Hogs	247	245	245	242	240	242	243	246	244	244
Average dressed weight:										
Beef	633	634	636	635	638	636	637	637	628	634
Veal	136	136	132	126	125	128	128	124	127	126
Lamb and mutton	56	57	55	55	54	55	54	55	55	55
Pork	176	175	174	172	171	172	172	175	174	174
Production:										
Beef	1,887	5,320	1,734	2,036	2,006	5,776	1,970	1,842	1,880	5,692
Veal	28	81	28	32	32	92	33	32	32	97
Lamb and mutton	28	86	27	32	32	91	31	28	30	89
Pork	1,212	3,620	1,087	1,213	1,236	3,536	1,347	1,421	1,301	4,069
<i>1,000 head</i>										
COMMERCIAL: ¹										
Slaughter:										
Cattle	3,132	8,844	2,865	3,367	3,315	9,547	3,284	3,084	3,169	9,537
Calves	232	670	236	286	283	805	290	294	284	868
Sheep and Lambs	525	1,574	514	607	616	1,737	600	528	551	1,679
Hogs	7,153	21,403	6,471	7,319	7,502	21,292	8,087	8,435	7,815	24,337
<i>Million lbs</i>										
Production:										
Beef	1,965	5,549	1,805	2,116	2,091	6,012	2,066	1,938	1,970	5,974
Veal	34	98	33	39	38	110	41	39	37	117
Lamb and mutton	29	89	28	33	33	94	32	29	30	91
Pork	1,249	3,726	1,119	1,251	1,274	3,644	1,389	1,468	1,351	4,208
<i>Millions</i>										
COLD STORAGE STOCKS¹										
END OF QUARTER: ^{2 3}										
Beef	254	254	252	268	269	269	278	316	325	325
Veal	7	7	7	7	9	9	9	10	11	11
Lamb and mutton	9	9	8	9	9	9	9	9	9	9
Pork	280	280	253	214	210	210	⁴ 240	295	301	301
Total meat	550	550	520	498	497	497	⁴ 536	630	646	646

¹Federally inspected and other commercial. ²Beginning January 1977, excludes beef and pork stocks in cooler. ³Stock levels end of quarter or month. ⁴Revised.

Table 30—Selected foreign trade, by months

Item	1983									
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
<i>Million lb</i>										
Imports (carcass weight):										
Beef	152.31	170.90	179.11	166.66	187.50	184.55	166.99	162.40	104.78	80.29
Veal	2.40	1.84	2.02	1.33	.66	.48	1.30	1.46	.67	.25
Pork	60.52	59.88	58.19	57.72	58.65	54.39	56.04	65.25	55.47	56.50
Lamb and mutton	1.69	1.09	2.73	2.07	2.35	1.08	2.56	.70	1.15	.71
Exports (carcass weight):										
Beef	25.11	24.07	18.36	19.53	19.45	25.57	26.60	28.94	26.62	16.15
Veal	.50	.47	.22	.44	.47	.33	.30	.38	.37	.10
Pork	18.90	29.67	21.66	20.45	14.21	13.46	14.81	16.89	23.31	20.86
Lamb and mutton	.06	.11	.23	.15	.07	.11	.06	.16	.15	.14
Shipments (carcass weight):										
Beef	3.08	4.75	2.90	2.62	3.04	2.77	3.33	3.16	3.83	
Veal	.10	.05	.08	.04	.17	.12	.13	.05	.13	
Pork	10.63	13.07	8.31	10.35	10.15	6.88	10.75	11.52	15.57	
Lamb and mutton	.27	.42	.14	.31	.15	.11	.08	.13	.09	
<i>Number</i>										
Live animal imports:										
Cattle	63,192	59,290	123,514	154,117	74,665	81,733	59,418	28,514	36,636	130,014
Hogs	40,956	39,764	27,222	32,905	30,241	42,253	37,818	30,374	31,200	32,161
Sheep and lambs	0	0	97	16	2,443	3,070	693	65	278	43
Live animal exports:										
Cattle	2,831	4,201	5,100	5,519	3,719	4,910	4,428	3,818	7,058	5,966
Hogs	2,394	3,429	2,967	2,897	978	1,271	877	1,837	1,545	1,265
Sheep and lambs	10,326	17,674	19,493	19,182	25,377	26,101	18,629	13,320	28,416	12,916

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POULTRY AND EGGS

Eggs

Egg production in first-half 1984 is expected to average 3-5 percent less than in 1983, primarily because of the reduced size of the laying flock. This, along with continued strong consumer demand, will result in egg prices probably averaging well above January-June 1983.

Egg Production To Continue Decline

At 5,655 million dozen, egg production in calendar-year 1983 was down 2 percent from 1982 and continued the decline that started in 1981. Egg producers have not had a sustained period of profitable operations since 1979 and have been looking for ways to cut costs. One method chosen has been to keep old hens in the laying flock for more than one laying cycle in lieu of selling spent birds. This retention has reduced the need for pullets as replacements in the national flock.

When the signup by grain farmers for the payment-in-kind program was announced in early 1983, the price of laying feed ingredients began to rise, and producers sold many of their hens. The summer drought further increased feed ingredient prices and with little rise expected in egg prices, producers only kept their more productive hens. During June-August 1983, the average number of layers on hand was 4 percent below the same

months in 1982—the same decline as in March-May but 1 percent more than during December-February. Egg production declined only 2 percent during March-May and June-August because producers had sold their less productive hens and the rate of lay was up 2 percent from the year before.

During October-December 1983, egg production declined 4 percent from the year earlier, while the rate of lay was the same. Contributing to the decline was an outbreak of avian influenza, which caused 4.9 million layers to be destroyed before the end of the year. As egg prices improved, producers outside the quarantine area began selling fewer of their less productive old hens, and the number of hens during December was down only 3 percent from the previous year. However, the holding of more old hens and the unusually cold weather, caused the rate of lay to be down.

The hatch of egg-type chicks has been above year-earlier levels since last September, with the exception of November. The hatch in December was 10 percent above December 1982 and 4 percent above December 1981. In January 1984, the hatch was 11 percent above 1983. Producers are ordering more replacement pullets in response to higher egg prices and to replace the hens lost to the flu. However, since it takes 5 to 6 months for replacements to begin laying, enough pullets will not be available to expand layer numbers sharply until at least mid-1984. While producers will likely continue delaying sales of old hens, the current low numbers, the unexpected losses caused by the flu, and fewer replacements will mean that the laying flock will likely average below last year during first-half 1984. As a result, 1984 egg production is expected to be below 1983. During first-quarter 1984, egg production may be 4 percent below 1983's 1,433 million dozen. Spring weather may improve the rate of lay, and if producers can limit the spread of the flu, layer numbers should stop declining relative to 1983. As a result, egg production in the second quarter is expected to be only 3 percent below the 1,405 million dozen in 1983.

Egg production in second-half 1984 is expected to improve relative to 1983 as more replacement pullets gradually replenish the laying flock. Egg prices are likely

Table 31—Layers on farms and eggs produced

Quarters	Number of layers	Eggs per layer	Eggs produced
	1983	1983	1983
	Million	Number	Million dozen
I	282	61.1	1,432.9
II	273	61.9	1,405.2
III	271	62.1	1,399.2
IV	276	61.6	1,418.0
Annual	276	246.7	5,655.2

Table 32—Force moltings and light-type hen slaughter, 1982-84

Month	Forced molt layers ¹						Light-type hens slaughtered under Federal inspection ²		
	Being molted			Molt completed					
	1982	1983	1984	1982	1983	1984	1982	1983	1984
	Percent						Thousand		
January	3.2		3.4	19.8			14,416	15,719	
February	4.3	6.2	4.9	18.8	18.4	24.1	12,727	11,948	
March	3.6	4.3		18.6	18.7	22.9	14,554	16,110	
April		4.0			17.7		16,732	14,750	
May		5.4			17.2		13,828	9,808	
June	6.3	5.7		19.2	19.4		14,325	11,232	
July		5.2			20.4		11,517	10,829	
August		4.6			22.1		14,111	11,820	
September	5.5	4.7		20.5	23.0		11,960	11,385	
October		5.0			23.6		11,797	10,139	
November		4.6			22.4		12,990	9,139	
December	3.3	2.3		18.2	24.9		16,101	6,629	

¹Percent of hens and pullets of laying age in 17 selected States. ²Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service.

Table 33—Total eggs: Supply and utilization by quarters, 1982-83

Year	Supply						Utilization			
	Production	Imports ¹	Beginning stocks ¹	Total supply	Ending stocks ¹	Exports and shipments ¹	Domestic disappearance			
							Eggs used for hatching	Military ¹	Civilian	
									Total	Per capita
	<i>Million dozen</i>								<i>Number²</i>	
1982 ³										
I	1,441.6	.5	17.5	1,445.2	14.4	53.1	128.4	5.9	1,257.7	65.9
II	1,440.7	.3	14.4	1,437.1	18.2	36.9	132.4	4.8	1,263.0	66.0
III	1,436.9	1.6	18.2	1,434.4	22.3	37.6	120.3	6.4	1,270.1	66.2
IV	1,479.1	.1	22.3	1,481.2	20.3	57.3	124.4	5.3	1,294.3	67.3
Year	5,798.2	2.5	17.5	5,797.9	20.3	184.9	505.5	22.4	5,085.1	265.4
1983 ³										
I	1,432.9	5.0	20.3	1,438.8	19.4	30.2	128.3	6.3	1,274.1	66.1
II	1,405.2	2.9	19.4	1,408.8	18.7	29.2	129.4	6.9	1,243.3	64.4
III	1,399.2	.7	18.7	1,405.4	13.2	26.7	120.2	6.5	1,252.0	64.6
IV	1,418.0	8.2	13.2		17.6		122.3	5.4		
Year	5,655.3	23.4	20.3		17.6		500.1	25.1		

¹Shell eggs and the approximate shell-egg equivalent of egg product. ²Calculated from unrounded data. ³Preliminary.

Table 34—Shell eggs: Supply and utilization, 1982-83¹

Year	Stock change	Production	Hatching use	Eggs broken	Imports	Total supply	Exports and shipments	Domestic disappearance		
								Military	Civilian	
									Total	Per capita
	<i>Million dozen</i>								<i>Number</i>	
1982 ²										
I	-.1	1,441.6	128.4	160.9	.5	1,152.6	29.2	5.4	1,118.0	58.6
II	.2	1,440.7	132.4	196.0	.2	1,112.8	16.5	4.6	1,091.8	57.1
III	.1	1,436.9	120.3	203.8	1.5	1,114.4	22.8	5.8	1,085.8	56.6
IV	-.2	1,479.1	124.4	172.0	.1	1,182.6	42.6	4.8	1,135.3	59.0
Year	0	5,798.2	505.5	732.7	2.3	4,562.4	111.1	20.5	4,430.8	231.2
1983 ²										
I	.5	1,432.1	128.3	175.2	5.0	1,134.1	15.5	5.5	1,113.1	57.7
II	-.8	1,405.2	129.4	185.7	2.8	1,086.6	13.3	6.3	1,067.0	55.3
III	.6	1,399.2	120.2	202.9	7.1	1,074.8	12.4	5.9	1,056.5	54.6
IV	.5	1,418.0	122.3	168.2				5.0		
Year	.8	5,654.5	500.1	731.9				22.7		

¹Totals may not add due to rounding. ²Preliminary.

to continue strong, prompting a continued larger hatch of egg-type chicks. During the third quarter, egg production may be 2 percent below last year, but production is expected to be 1 percent above 1983 in the fourth quarter.

Egg Prices To Remain Strong

Egg prices were low relative to cost of production during the first half of 1983 but improved in the second half. Higher egg prices and stable production costs resulted in improved returns for producers.

During fourth-quarter 1983, the price of cartoned Grade A large eggs in New York averaged 91 cents per dozen, up from 68 cents in 1982 and the highest fourth-quarter price since 1960. Given the strong wholesale prices, the strength of the dollar, and available supplies from other countries, it is not surprising that egg exports declined, but that they only declined 60 percent from 1982.

Table 35—Egg-type chick hatchery operations

Month	Hatch			Eggs in incubator first of month		
	1982	1983	1984	1982	1983	1984
	<i>Thousands</i>			<i>Percent</i>		
January	36,652	33,324	36,947	98	86	112
February	36,413	33,149		103	86	112
March	44,220	39,522		99	81	
April	46,626	37,208		94	79	
May	47,342	39,034		102	76	
June	39,424	37,912		98	91	
July	35,405	30,927		107	86	
August	33,455	31,089		98	97	
September	31,226	31,995		95	105	
October	32,345	32,562		95	100	
November	30,172	29,370		90	98	
December	31,140	34,229		90	112	

Table 36—Egg prices and price spreads, 1982-83

Item	January	February	March	April	May	June	July	August	September	October	November	December	Average
<i>Cents per dozen</i>													
Farm price ¹													
1982	59.1	61.7	62.8	57.9	48.8	45.6	49.2	44.6	51.4	52.8	52.1	55.4	54.8
1983	46.2	48.6	52.1	50.8	55.3	53.3	51.4	57.4	60.3	63.8	71.8	79.3	57.5
New York (cartoned) ²													
Grade A, large													
1982	81.4	77.7	79.4	72.2	64.0	63.9	64.0	64.8	68.6	69.5	68.6	67.2	70.1
1983	62.7	65.7	69.1	67.6	69.9	69.7	68.2	76.5	78.6	80.2	91.8	101.9	75.2
4-region average, Grade A, large													
Retail price													
1982	93.9	101.1	96.7	92.3	85.3	80.5	86.6	80.1	87.5	87.3	86.1	84.8	88.5
1983	85.2	82.7	86.5	84.8	89.6	85.2	88.2	91.8	96.2	98.1	102.3	114.1	92.1
Price spreads													
Farm-to-consumer													
1982	32.3	42.8	35.7	40.6	40.6	34.6	39.6	33.5	36.8	36.0	35.7	35.7	37.0
1983	41.8	36.1	35.0	35.3	35.7	32.3	37.2	32.0	34.1	34.1	25.7	26.9	33.9
Farm-to-retailer													
1982	17.7	21.4	18.8	22.5	20.5	17.2	19.0	16.1	18.4	18.3	17.9	19.1	18.9
1983	21.2	18.9	18.2	19.0	17.7	16.2	18.9	17.4	17.2	17.3	14.1	14.0	17.5
Retail													
1982	14.6	21.4	16.9	18.1	20.1	17.4	20.6	17.4	18.4	17.7	17.8	16.6	18.1
1983	20.6	17.2	16.8	16.3	18.0	16.1	18.3	14.6	16.9	16.8	11.6	12.9	16.3
<i>1967=100</i>													
Consumer price index													
1982	189.4	205.1	195.2	186.9	172.3	162.5	173.6	161.2	175.2	175.8	175.0	172.5	178.7
1983	172.9	169.3	175.0	174.9	181.8	173.8	177.9	183.7	193.3	200.1	208.2	234.0	187.1

¹Market (table) eggs including eggs sold retail by the producer; data not available prior to 1982. ²Price to volume buyers.

During fourth-quarter 1983, egg prices were strengthened by demand for breaker eggs. Normally, breakers take surplus eggs at a discounted price during the year to build stocks for the prime baking season in the fall. Recently, however, reduced egg supplies caused breakers to compete with retailers for breaking stock. Stocks of frozen eggs in commercial warehouses on January 1 were down 55 percent from last year.

During first-quarter 1984, prices of cartoned Grade A large eggs in New York have been very strong, especially in January. Prices are expected to average \$1.03 to \$1.07 per dozen, up from 66 cents in first-quarter 1983. Prices are being strengthened by the avian influenza, which has created the possibility of smaller output than actually occurred, and reduced production caused by the smaller flock and cold weather.

During second-quarter 1984, prices of cartoned Grade A large eggs in New York are expected to average 88 to 92 cents per dozen, up from 69 cents in 1983. Reduced supplies are expected to keep prices strong, and export and breaker activity will be minimal. Exports of shell eggs and egg products are expected to be well below the 23 million dozen shell equivalent exported in the comparable period last year. Breaker activity is expected to remain near the reduced fourth-quarter 1983 level during the first half of 1984.

With egg production beginning to increase in second-half 1984, prices of cartoned Grade A large eggs are expected to weaken from the first half, perhaps averaging in the range of 80 cents per dozen, compared with 1983's 82 cents. As prices weaken, export and breaker activity are expected to improve.

Table 37—U.S. egg exports to major importers, January-December 1982-1983¹

Country or area	1982	1983
<i>Thousand dozen</i>		
Japan	54,256	45,183
Canada	10,335	9,492
Hong Kong	11,950	7,211
Trinidad-Tobago	3,582	3,716
Jamaica	2,513	2,359
Federal Rep. of Germany	6,173	2,233
Switzerland	1,044	1,994
Mexico	24,808	1,868
Dominican Republic	1,165	1,323
United Arab Emirates	8,988	890
United Kingdom	1,769	823
Colombia	758	768
Leeward-Windward Is.	701	737
Suriname	595	654
Egypt	884	543
Other	28,695	6,008
Total	158,216	85,803

¹Shell and shell equivalent of egg products.

Table 38—Shell eggs broken and egg products produced under Federal inspection, 1982-83

Period ¹	Shell eggs broken	Egg products produced ²		
		Liquid ³	Frozen	Dried
	Thou. doz	Thou. lbs	Thou. lbs	Thou. lbs
1982				
Jan. 24 - Feb. 20	47,713	31,062	22,938	5,012
Feb. 21 - Mar. 20	51,265	31,360	25,890	5,074
Mar. 21 - Apr. 17	53,773	31,880	24,690	5,816
Apr. 18 - May 15	59,705	39,064	28,367	6,415
May 16 - June 12	64,889	40,072	29,003	7,975
June 13 - July 10	60,166	37,764	27,298	6,540
July 11 - Aug. 7	65,321	37,426	29,982	7,331
Aug. 8 - Sept. 4	60,789	39,110	26,073	6,550
Sept. 5 - Sept. 30	56,675	36,468	24,278	5,423
Oct. 1 - Oct. 31	60,787	38,114	28,334	6,477
November	57,867	36,841	24,849	6,747
December	53,369	35,499	23,072	6,228
1983				
January	57,526	38,965	23,822	6,369
February	56,439	35,217	22,792	5,801
March	61,229	40,626	25,564	6,368
April	52,493	37,566	22,516	5,753
May	61,369	42,366	25,310	7,738
June	71,820	47,408	30,099	10,476
July	64,019	41,293	26,139	9,814
August	72,163	51,671	26,341	9,038
September	66,689	48,597	26,064	6,421
October	64,397	45,201	26,649	6,830
November	55,635	38,216	24,962	5,994
December	48,142	33,472	23,299	4,974

¹The reporting period was changed in November 1982 from a 4-week interval to a calendar month basis. ²Includes ingredients added.

³Liquid egg products produced for immediate consumption and for processing.

Broilers

Broiler Production Increases

At 12.4 billion pounds, federally inspected broiler production in 1983 was 3 percent above the 12.0 billion pounds produced in 1982. Production increased 6 percent in the first half, but second-half output was about the same as in 1982.

Increased output of broiler meat in first-half 1983 led to prices below the cost of production. In addition, as the success of the payment-in-kind program and the extent of the drought became known, broiler producers envisioned high production costs through the spring of 1984. Therefore, they reduced the number of chicks hatched for July-December production. In reaction to the rising production costs and uncertain future, producers also placed fewer chicks for hatchery supply flock replacements. For 1983, pullet chick placements were down 4 percent from 1982, which in turn was 4 percent below 1981.

The reduced placements led to a smaller hatchery supply flock. Cumulative pullet placements 7 to 14 months earlier were 6 percent below 1982 in October-December 1983. Cumulative pullet placements will be down from 1983 by 5 percent in the first quarter and 6 percent in the second. The cumulative placements can only be con-

sidered as a rough measure of the flock. Broiler producers were able to expand production in spite of reduced placements in late 1982 and part of 1983 by holding breeder hens a few weeks longer before selling them. With the expected strong prices, producers will probably delay sales of their old breeding flocks again in 1984.

Weekly broiler eggs set for first-quarter 1984 slaughter have been down as much as 4 percent from the same week a year earlier. The largest declines were in late December and early January when cold weather may have reduced the rate of lay, and with the smaller flock, few if any extra eggs were available for setting.

Even with stronger prices, broiler producers are not increasing the number of eggs set and chicks hatched. In fact, chicks hatched for first-quarter 1984 slaughter were down 2 percent from 1983. As a result of the reduced hatch, first-quarter production will likely be down 2 percent from 1983, and second-quarter output may be down 1 percent. In December-January, producers added 6 percent more pullets to the hatchery supply flock, suggesting increased broiler production for second-half 1984.

Broiler Prices To Stay Strong

During fourth-quarter 1983, the 12-city composite wholesale price for broilers averaged 55 cents, up sharply from the 9-city price of 42 cents in 1982. The stronger prices were caused by an improved economy, and increased promotion of chicken items in fast food restaurants. In addition, the avian influenza caused concern among buyers about supply availabilities.

Exports of young chicken, both whole and parts, declined 16 percent in fourth-quarter 1983 from 1982. Exports of young chicken for all of 1983 were down 14 percent from the 501 million pounds in 1982 and 40 percent below the record quantities exported in 1981. In spite of the general decline, Japan, our largest customer, increased purchases from 116 million pounds in 1982 to 140 million pounds. With both broiler prices and the dollar expected to remain strong in 1984, exports of young chickens are likely to remain near 1983 levels.

Reduced production in first-half 1984, plus continued strengthening of the general economy, will likely keep broiler prices in the 12 cities between 58 and 62 cents

Table 39—Federally inspected young chicken slaughter

Year	Number	Average weight	Liveweight pounds	Certified RTC
	Million	Pounds	Million pounds	
1982				
I	983	4.03	3,961	2,888
II	1,047	4.05	4,239	3,109
III	1,065	4.00	4,265	3,130
IV	973	4.10	3,991	2,911
Year	4,068	4.04	16,456	12,039
1983				
I	1,022	4.10	4,184	3,059
II	1,084	4.13	4,475	3,277
III	1,062	4.00	4,254	3,135
IV	962	4.13	3,970	2,910
Year	4,130	4.09	16,883	12,381

**Table 40—Broilers: Eggs set and chicks placed weekly
in 19 commercial States, 1982-84¹**

Period ²	Eggs set			Chicks placed		
	1982/83	1983/84	Percent of previous year	1982/83	1983/84	Percent of previous year
	<i>Thousands</i>		<i>Percent</i>	<i>Thousands</i>		<i>Percent</i>
November						
19	100,866	99,303	98	79,799	74,021	93
26	100,653	99,800	99	80,395	78,415	98
December						
3	97,509	100,213	103	80,666	80,864	100
10	99,925	98,974	99	80,051	79,598	99
17	100,700	99,093	98	80,944	80,372	99
24	101,226	100,278	99	78,774	80,187	102
31	101,819	99,622		80,625	79,519	99
January						
7	101,161	99,740	97	81,618	79,254	99
14	101,435	99,118	98	82,022	80,849	99
21	99,726	100,493	101	82,537	79,995	97
28	101,726	101,368	100	82,106	77,950	95
February						
4	103,127	102,185	99	82,072	78,412	96
11	103,283	101,571	98	79,760	80,944	101
18	103,616	102,724	99	81,728	81,351	98
25	105,067			83,034		
March						
3	105,625			83,882		
10	105,112			84,202		
17	105,576			85,442		
24	103,243			85,958		
31	104,984			86,056		
April						
7	104,697			85,455		
14	104,242			83,298		
21	103,279			85,259		
2	101,203			84,945		
May						
5	102,366			84,836		
12	101,963			84,114		
19	102,697			82,555		
26	102,811			83,432		
June						
2	102,317			83,341		
9	103,413			83,490		
16	102,044			83,505		
23	99,517			83,486		
30	95,370			83,159		
July						
7	99,574			83,369		
14	99,814			80,706		
21	99,727			76,679		
28	99,145			81,042		
August						
4	98,849			80,886		
11	99,139			79,954		
18	98,656			78,697		
25	97,508			78,990		
September						
1	93,016			79,063		
8	90,600			78,578		
15	85,018			77,475		
22	95,255			72,876		
29	95,846			71,952		
October						
6	91,711			67,928		
13	86,713			76,891		
20	86,735			77,265		
27	91,593			74,406		
November						
3	97,286			69,939		
10	99,753			70,205		

¹Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N C., Pa., S.C., Tex., Va., La., Mo., Tn., Or., and Wa. ²Weeks in 1983/84 and corresponding weeks in 1982/83.

**Table 41 — Broiler chicks hatched and pullet chicks placed
in hatchery supply flocks**

Month	Broiler-type chicks			Pullet chicks placed in broiler hatchery supply flocks					
				Monthly placements			Cumulative placements 7-14 months earlier*		
	1982	1983	1984	1982	1983	1984	1982	1983	1984
	<i>Million</i>			<i>Thousands</i>			<i>Thousands</i>		
January	372,503	382,668	370,016	3,379	3,169	3,202	28,692	27,265	26,428
February	336,484	348,416		3,152	3,310		28,432	27,179	25,349
March	390,918	399,716		3,676	3,299		27,499	26,875	25,441
April	385,801	389,168		3,640	3,143		27,565	26,359	25,169
May	402,754	396,069		3,698	3,541		27,503	26,483	24,873
June	385,164	382,380		2,934	3,147		26,462	26,371	24,700
July	381,979	377,976		3,035	2,485		26,598	25,986	25,147
August	377,760	372,335		3,361	3,347		26,847	25,457	24,808
September	348,090	343,777		2,863	2,897		26,689	25,833	
October	344,579	345,324		3,276	3,014		27,274	26,097	
November	345,602	335,983		3,564	3,126		27,752	25,879	
December	373,949	374,960		3,255	3,590		27,861	26,557	

* = Revised.

Table 42—Young chicken prices and price spreads, 1982-83

Item	January	February	March	April	May	June	July	August	September	October	November	December	Average
<i>Cents per pound</i>													
Farm price ¹													
1982	27.3	27.4	27.1	26.5	28.2	28.9	28.1	26.6	26.8	25.5	24.8	24.3	26.9
1983	25.8	27.7	25.4	24.7	26.1	28.3	30.7	31.8	33.8	29.3	33.0	33.7	29.2
Wholesale RTC 9-city average ²													
1982	45.2	44.5	44.8	42.6	45.8	47.0	46.1	43.4	43.6	42.3	40.3	42.0	44.0
1983	43.1	45.2	41.9	40.9	46.9	49.1	52.8	54.2	54.5	50.4	56.3	57.1	49.4
4-region average retail price													
1982	71.7	72.8	71.7	71.3	72.2	73.4	74.4	72.0	71.5	70.2	69.7	68.4	71.6
1983	69.2	70.4	70.3	67.9	69.1	70.3	72.8	74.0	77.0	73.8	76.9	81.4	72.8
Price spreads													
Farm-to-consumer													
1982	35.7	37.8	36.5	36.1	34.1	33.4	37.4	35.3	34.0	34.9	37.5	35.5	35.7
1983	34.4	33.5	36.5	34.9	33.8	30.2	30.2	30.9	33.5	33.8	31.7	35.0	33.2
Farm-to-retailer													
1982	16.8	17.9	17.1	15.0	14.6	14.0	16.1	13.8	14.2	14.3	16.5	16.9	15.6
1983	16.3	16.0	16.9	15.8	16.8	15.1	18.0	16.7	16.6	17.4	16.7	15.2	16.5
Retail													
1982	18.9	19.9	19.4	21.1	19.5	19.4	21.3	21.5	19.8	20.6	21.0	18.6	20.1
1983	18.1	17.5	19.6	19.1	17.0	15.1	12.2	14.2	16.9	16.4	15.0	19.8	16.7
1967 = 100													
Retail price index													
Whole chickens													
1982	193.1	196.3	195.1	194.1	196.8	199.1	201.2	193.8	194.8	192.6	189.3	185.4	194.3
1983	186.8	190.6	190.7	184.5	187.7	192.1	198.7	202.1	209.6	199.1	207.6	219.4	197.4

Table 43—U.S. young chicken exports to major importers, January-December 1982-1983

Country or area	1982	1983
<i>Thousand pounds</i>		
Japan	115,636	139,829
Singapore	63,864	49,016
Hong Kong	55,645	48,896
Jamaica	58,141	42,539
Leeward-Windward Is.	28,645	30,199
Canada	17,428	20,576
Netherlands Antilles	15,148	13,408
Mexico	24,905	12,295
Egypt	1,998	8,364
Canary Islands	17,666	8,117
French Pacific Is.	6,370	6,773
Saudi Arabia	6,388	6,134
Barbados	4,409	5,736
Federal Rep. of Germany	5,115	5,103
Malaysia	1,827	3,778
Other	77,827	30,992
Total	501,010	431,756

Table 44—U.S. mature chicken exports to major importers, January-December 1982-1983

	Country or area	1982
	<i>Thousand pounds</i>	
Canada	9,278	9,808
Trust Terr. of Pacific Is.	1,867	2,474
Japan	2,053	722
Haiti	211	666
Netherlands Antilles	360	625
Leeward-Windward Is.	180	605
Venezuela	27	496
French Pacific Is.	1,521	373
Mexico	1,658	275
Saudi Arabia	270	257
Bahamas	156	181
Hong Kong	338	171
Korea, Republic of	69	147
Egypt	131	111
Qatar	16	99
Other	5,317	717
Total	23,452	17,728

per pound, up sharply from the 43-cent 9-city price in first-quarter 1983 and the 46-cent 12-city price in second-quarter 1983. The 12-city price averaged 62 cents per pound in January 1984, strengthened by reduced production, slower weight gains because of cold weather, and uncertainty caused by continued outbreaks of avian influenza.

Broiler prices in second-half 1984 may average 52 to 57 cents per pound, near last year's 55 cents. Supplies of broilers are expected to be above 1983 but reduced supplies of red meats, along with continued improvement in the economy, are expected to keep broiler prices strong.

Turkeys

The 1983 turkey crop totaled almost 170 million head, up 3 percent from 1982. Heavy breed turkeys increased 5 percent to 164 million, while light breeds continued their decline, dropping 27 percent to 6 million head.

Table 49—Federally inspected turkey slaughter

Year	Number	Average weight	Liveweight pounds	Certified RTC
	<i>Million</i>	<i>Pounds</i>	<i>Million pounds</i>	
1982				
I	26.4	19.68	519.2	410.4
II	35.0	18.91	661.0	527.9
III	51.0	18.67	951.7	761.5
IV	48.0	19.85	953.2	759.1
Year	160.4	19.24	3,085.1	2,458.9
1983				
I	29.0	20.15	584.3	462.2
II	37.8	19.29	729.7	581.5
III	50.8	18.83	955.8	760.3
IV	47.4	20.12	952.8	759.0
Year	165.0	19.53	3,222.6	2,563.1

Table 48—Turkey hatchery operations, 1982-84

Month	Turkeys placed ¹						Eggs in incubators first of month, changes from previous year					
	Light breeds ²		Heavy breeds ³		Total		Light breeds ²		Heavy breeds ³		Total	
	1982-83	1983-84	1982-83	1983-84	1982-83	1983-84	1982-83	1983-84	1982-83	1983-84	1982-83	1983-84
	<i>Thousands</i>						<i>Percent</i>					
September	180	171	7,849	7,939	8,029	8,110	-47	32	3	-4	1	-5
October	171	159	9,477	9,033	9,648	9,192	-53	-19	7	-9	5	-9
November	162	222	11,442	10,742	11,604	10,964	-68	24	19	-5	14	-5
December	589	230	11,544	12,343	12,133	12,573	-63	-66	4	0	-1	-3
January	589	(4)	13,186	(4)	13,775	13,669	-10	-27	-3	-5	2	-8
February	568		14,438		15,006		-32	(4)	5	(4)	3	-3
March	583		18,375		18,958		-23		1		0	
April	675		19,076		19,751		18		-2		-3	
May	651		20,223		20,874		-14		-2		-2	
June	688		20,196		20,884		-4		0		-1	
July	742		18,405		19,147		-30		-1		-2	
August	591		12,019		12,610		-27		-7		-8	

¹Excludes exported poults. Placed estimates should not be used to measure change from previous year. ²Normal mature marketing weight under 12 pounds. ³Normal mature marketing weight 12 pounds or over. ⁴Breakdown by breeds not shown to avoid disclosing individual operations.

Turkey meat output from federally inspected plants totaled a record 2,563 million pounds (ready-to-cook weight), up 4 percent from 1982. Slaughter was up almost 3 percent, but with more heavy breeds in the mix and with more further processing, average weights were up 1.6 percent.

More turkey meat continued to go for further processing in 1983. Further processing of turkey other than whole birds increased 13 percent from 1982 to 1,146 million pounds. This was equivalent to 45 percent of total certified ready-to-cook federally inspected turkey production, up from 41 percent in 1982. Cut-up turkey was up 8 percent from 1982 to 791 million pounds. Production of

further-processed whole birds (those which have been injected, basted, marinated, barbecued, or smoked and packaged whole) totaled 704 million pounds, a 6-percent decline.

Intentions Indicate Slightly Larger 1984 Production

Turkey producers had negative returns during most of 1983. In late 1983, producers in the 20 major turkey-producing States indicated they planned to raise 2 percent more birds this year than in 1983. Heavy breed intentions were up 3 percent, but light breeds were down 39 percent. The 20 States accounted for 98 percent of

Table 50—Turkeys: Number raised in 20 selected States in 1982 and 1983 and number intended to be raised in 1984

State	Heavy breeds			Light breeds			All breeds			1984 As % of 1983
	1982	1983	1984 ¹	1982	1983	1984 ¹	1982	1983	1984 ¹	
<i>Thousand head</i>										<i>Percent</i>
Arkansas ²							13,000	12,850	12,885	100
California	20,000	20,200	19,800				20,000	20,200	19,800	98
Colorado	4,065	4,435	4,600				4,065	4,435	4,600	104
Georgia	2,680	2,266	2,568				2,680	2,226	2,568	113
Indiana	6,800	6,700	6,200	7	10	8	6,807	6,710	6,208	93
Iowa ²							7,650	6,710	6,350	95
Minnesota	21,700	23,500	24,800	4,300	3,500	1,200	26,000	27,000	26,000	96
Missouri	12,000	13,000	15,500				12,000	13,000	13,500	104
North Carolina ²							27,000	28,700	30,600	107
North Dakota ²							950	740	760	103
Ohio ²							2,700	2,400	2,650	110
Oklahoma	2,055	1,600	1,600				2,055	1,600	1,600	100
Oregon ²							1,050	825	800	97
Pennsylvania	4,980	6,600	7,650	320	200	180	5,300	6,800	7,830	115
South Carolina	2,616	2,159	2,150				2,616	2,159	2,150	100
South Dakota ²							1,600	1,528	1,620	106
Texas ²							5,200	5,400	5,300	98
Utah	2,404	2,328	2,330				2,404	2,328	2,330	100
Virginia ²							10,081	11,388	12,299	108
Wisconsin	6,720	7,100	6,960	11	15	15	6,731	7,115	6,975	98
20 State total	151,298	158,354	163,243	7,621	5,800	3,547	158,919	164,154	166,790	102

¹Intended. ²Breakdown by breeds not published to avoid disclosing individual operations.

Table 51—Turkey breeder hens: 24 selected States, December 1, 1981-83

State	Heavy breeds			Light breeds			All breeds			1983 As % of 1982
	1981	1982	1983	1981	1982	1983	1981	1982	1983	
<i>Thousand head</i>										<i>Percent</i>
California ¹	56	58	60				525	525	420	80
Georgia	50	45	(1)				58	58	60	103
Iowa ¹							109	155	(2)	142
Michigan	50	45	(1)				50	45	38	84
Minnesota	476	446	(1)	91	77	(1)	567	523	443	85
Missouri	244	290	300				244	290	300	104
North Carolina ¹							690	750	700	93
Ohio	155	160	(2)				155	160	(2)	103
Oregon ¹							36	(2)	(2)	
Pennsylvania ¹							37	43	113	263
Texas ¹	450	310	155				450	310	155	50
Virginia ¹							166	182	162	89
Other States ²							429	388	764	(3)
Total	3,338	3,279	3,082	176	150	73	3,514	3,429	3,155	92

¹Breakdown by breeds not published to avoid disclosing individual operations. ²Arkansas, Colorado, Illinois, Iowa, Kansas, Nebraska, New York, Ohio, Oregon, South Carolina, South Dakota, Utah, West Virginia, and Wisconsin. ³Number of States in 1983 not comparable to 1982.

Table 52—Turkey prices and price spreads, 1982-83

Item	January	February	March	April	May	June	July	August	September	October	November	December	Average
<i>Cents per pound</i>													
Farm price ¹													
1982	33.1	33.8	33.9	34.2	34.9	38.3	40.2	40.6	42.2	42.8	42.9	33.5	39.5
1983	31.9	32.8	33.0	32.1	34.5	36.2	34.0	34.9	39.1	39.2	39.9	45.4	36.1
New York, hens ²													
8-16 lbs.													
1982	53.6	55.8	56.0	55.8	58.8	61.8	64.1	64.1	68.0	69.6	67.2	54.2	60.8
1983	53.6	54.9	56.0	54.4	56.6	60.9	58.5	57.6	65.0	65.1	67.0	76.1	60.5
4-region average													
retail price													
1982	92.8	91.7	91.5	89.5	91.9	91.0	93.7	96.6	95.1	95.9	92.4	89.2	92.6
1983	91.4	92.4	91.8	92.6	92.8	92.3	93.0	91.4	90.4	95.3	87.7	89.4	91.7
Price spreads													
Farm-to-consumer													
1982	51.5	47.6	48.6	46.1	45.2	41.3	42.1	45.0	38.8	39.1	37.6	47.2	44.2
1983	53.0	52.9	51.5	52.9	50.7	46.9	50.0	49.2	41.0	45.7	36.0	28.7	46.5
Farm-to-retailer													
1982	22.2	21.2	19.4	21.2	19.7	19.8	19.5	20.8	17.4	19.3	20.9	22.8	20.4
1983	23.0	22.0	22.0	22.9	21.7	23.4	24.4	25.5	21.0	21.4	20.8	19.7	22.3
Retail													
1982	29.3	26.4	29.2	24.9	25.5	21.5	22.6	24.2	21.4	19.8	16.7	24.4	23.8
1983	30.0	30.9	29.5	30.0	29.0	23.5	25.6	23.7	20.0	24.3	15.2	9.0	24.2
<i>December 1977=100</i>													
Consumer price index													
1982	123.2	123.2	123.9	121.3	124.3	124.6	127.3	127.7	127.9	128.5	125.4	126.0	125.3
1983	126.3	127.7	126.6	127.2	125.4	125.3	126.0	125.7	122.9	126.0	120.6	122.3	125.1

¹Liveweight. ²Wholesale, ready-to-cook.

the turkeys raised in 1983. The inventory of breeder hens indicates a slower rate of increase in production because on December 1, 1983, the number of turkey breeder hens was 8 percent below a year earlier.

In recent months, producers have reduced hatchery activity for January-June 1984 turkey marketings. September 1983-January 1984 poult placements for domestic slaughter were 1 percent under a year earlier. Also, 3-percent fewer eggs were in incubators on February 1, 1984. Thus, slaughter in January-June 1984 may be down 2 to 4 percent from 1983.

In 1983, producers slowed second-half production to year-earlier levels in response to low product prices and surging feed costs. However, turkey prices in mid-February 1984 were almost 10 cents per pound higher than a year ago. These stronger prices, coupled with recent steady feed costs, may cause hatchery activity to increase in coming months for the main season marketings. Consequently, early prospects point to a moderate increase in turkey output during the second half of 1984.

January Stocks Down from 1983

Favorable prices to consumers stimulated excellent movement of turkey through retail channels late in the year and dropped turkey cold storage stocks on January 1, 1984, well below levels of a year earlier. Stocks totaled 162 million pounds, 42 million less than last year and the lowest since 1961's 160 million pounds. Stocks on February 1 totaled 163 million pounds, 16 percent lower.

Table 53—U.S. turkey exports to major importers, January-December 1982-1983

Country or area	1982	1983
<i>Thousand pounds</i>		
Federal Rep. of Germany	11,968	9,159
Egypt	2,538	8,779
Hong Kong	2,869	3,989
Japan	1,667	3,953
Venezuela	2,497	3,708
Canada	3,033	2,305
Trust Terr. of Pacific Is.	1,169	1,845
Saudi Arabia	4,090	1,672
Republic of South Africa	237	1,079
Togo	3,750	996
Bahamas	846	816
Trinidad-Tobago	956	726
United Kingdom	1,429	694
Western Samoa	188	690
Panama (Inc. Canal Zone)	468	668
Other	13,319	6,245
Total	51,025	47,332

Prices To Stay Strong

The small quantities of frozen turkey in storage, reduced production, concern about avian influenza, and severe cold weather kept prices strong at the end of 1983 and during January 1984. Unlike 1982, prices of young hen turkeys, 8-to-16 pounds in New York, strengthened in December and averaged 76 cents per pound, up from 67 cents in November and 54 cents in December 1982. In January 1984, prices averaged 72 cents, up from 54 cents

last year. If the avian influenza can be kept out of the other major turkey producing areas, prices of young hen turkeys in first-quarter 1984 are expected to average 66 to 70 cents per pound, up from 55 cents last year. With continued declines in production, prices in the second quarter may average 67 to 71 cents, up from 57 cents last year. Even with a moderate increase in production, prices may remain fairly strong in the second half of 1984 because of cutbacks in red meat production and continued strength in the general economy. However, if producers overexpand on the expectation of strong prices, turkey markets could be weaker (especially in the fourth quarter) despite small red meat output and strong consumer demand.

Turkey Exports To Continue Decline

Exports of turkey and turkey parts were down 7 percent to 47 million pounds in 1983. The Federal Republic of Germany was the largest purchaser, followed by Egypt. Strong domestic prices for turkey, the strong dollar, larger available European Community supplies, and restrictions on imports from areas that have avian influenza are likely to further reduce exports in 1984, particularly in the first half. The outbreak of avian influenza is expected to have a greater impact on turkey exports than on other poultry meat. Major turkey exporters are located in both Pennsylvania and Virginia.

Table 46—Chickens: Number on farms by classes and by regions, December 1, 1975-83¹

Year	North Atlantic	E. North Central	W. North Central	South Atlantic	South Central	Western	Alaska and Hawaii	United States
<i>Thousand head</i>								
Total hens and pullets of laying age								
1975	35,821	41,168	33,754	59,842	56,923	51,256	979	279,743
1976	36,045	39,340	32,600	61,093	59,070	50,590	1,040	279,778
1977	37,117	39,925	31,870	63,090	62,545	51,099	1,031	286,677
1978	38,825	41,118	31,980	64,371	63,900	52,060	1,052	293,306
1979	39,523	40,880	31,260	67,694	62,691	51,862	1,023	294,933
1980	39,774	42,420	31,945	63,948	63,502	51,599	1,035	294,223
1981	38,636	43,300	33,000	62,727	62,747	52,070	974	293,454
1982	38,887	45,550	32,342	61,537	59,469	50,277	906	288,968
1983	36,950	44,720	31,293	58,745	55,593	49,932	990	278,223
Pullets 3 months old and older not of laying age								
1975	5,711	6,441	4,896	13,365	11,002	6,862	127	48,404
1976	5,793	5,449	4,976	12,278	12,364	6,829	87	47,776
1977	5,849	6,607	4,687	12,328	11,887	6,158	137	47,653
1978	6,330	6,147	4,280	13,690	11,990	6,423	132	48,992
1979	7,260	5,645	3,805	12,988	14,903	5,437	148	50,186
1980	5,350	6,085	3,824	12,796	13,083	5,869	176	47,183
1981	6,221	5,898	4,078	9,957	10,760	5,279	137	42,330
1982	5,191	5,680	3,611	9,879	10,485	5,519	120	40,485
1983	5,763	5,775	3,820	8,822	8,988	4,471	107	37,746
Pullets under 3 months old								
1975	5,220	6,595	4,185	12,051	11,348	6,700	162	46,261
1976	5,314	6,866	3,829	11,554	11,608	5,846	158	45,175
1977	5,572	6,862	4,527	11,169	11,484	6,417	160	46,191
1978	6,795	6,715	4,141	12,475	11,802	6,576	177	48,681
1979	6,372	5,958	4,008	13,008	13,313	6,229	160	49,048
1980	6,220	5,771	3,724	10,709	12,655	5,136	143	44,358
1981	5,497	5,947	4,130	10,766	11,438	4,283	167	42,228
1982	5,673	6,179	3,882	11,004	10,363	5,286	202	42,599
1983	6,594	6,185	4,460	9,022	10,521	5,433	115	42,330
Total all chickens								
1975	47,085	54,541	43,249	87,069	81,357	65,184	1,269	379,754
1976	47,488	51,962	41,760	86,898	85,329	63,638	1,286	378,361
1977	49,006	53,710	41,453	88,690	88,355	63,975	1,329	386,518
1978	52,378	54,290	40,740	92,415	90,382	65,366	1,362	396,933
1979	53,587	52,800	39,402	95,835	93,750	63,879	1,332	400,585
1980	51,762	54,570	39,835	89,708	91,932	62,948	1,355	392,110
1981	50,795	55,430	41,566	85,691	88,031	62,046	1,279	384,838
1982	50,036	57,700	40,140	84,681	83,339	61,484	1,229	378,609
1983	49,578	56,960	39,825	78,963	77,745	60,300	1,213	364,584

¹Annual estimates cover December 1 of previous year through November 30. ²Excludes commercial broilers.

Table 47—Layers and egg production: Number produced, average number of layers, and eggs per layer

State	Number of eggs produced ¹			Annual average number of layers ²			Eggs per layer ³		
	1981	1982	1983	1981	1982	1983	1981	1982	1983
	<i>Millions</i>			<i>Thousands</i>			<i>Number</i>		
Alabama	3,095	2,879	2,813	12,869	12,056	11,503	241	239	245
Alaska	6.7	8.8	15.6	26	39	62	258	226	252
Arizona	98	114	102	400	459	406	245	248	251
Arkansas	3,996	4,065	3,768	16,712	16,794	15,578	239	242	242
California	8,400	8,288	8,173	35,054	34,363	33,396	240	241	245
Colorado	552	627	618	2,310	2,584	2,571	239	243	240
Connecticut	990	1,057	1,073	4,126	4,420	4,363	240	239	246
Delaware	133	137	142	617	606	633	216	226	224
Florida	3,040	2,963	2,959	12,509	12,013	11,882	243	247	249
Georgia	5,578	5,365	4,671	22,755	22,106	19,223	245	243	243
Hawaii	221.3	202.2	197.3	980	914	855	226	221	231
Idaho	228	238	240	983	986	956	232	241	251
Illinois	1,262	1,158	1,004	5,178	4,807	4,120	244	241	244
Indiana	4,093	4,464	4,619	16,404	17,713	18,141	250	252	255
Iowa	1,920	1,985	1,826	7,992	8,213	7,692	240	242	237
Kansas	416	462	481	1,683	1,793	1,897	247	258	254
Kentucky	509	484	457	2,163	2,087	1,977	235	232	231
Louisiana	510	457	417	2,339	2,116	1,870	218	216	223
Maine	1,607	1,430	1,395	6,373	5,61	5,235	252	255	266
Maryland	546	658	836	2,531	2,727	3,360	216	241	249
Massachusetts	321	314	265	1,303	1,297	1,062	246	242	250
Michigan	1,541	1,525	1,454	6,367	6,124	5,847	242	249	249
Minnesota	2,355	2,432	2,508	9,862	10,126	10,230	239	240	245
Mississippi	1,717	1,524	1,285	7,139	6,625	5,509	241	230	233
Missouri	1,448	1,456	1,336	5,869	6,050	5,504	247	241	243
Montana	174	188	193	778	767	772	224	245	250
Nebraska	802	809	792	3,460	3,469	3,399	232	233	233
Nevada	1.8	1.8	1.8	10	10	10	180	180	180
New Hampshire	157	147	142	620	581	528	253	253	269
New Jersey	291	276	242	1,312	1,202	1,077	222	230	225
New Mexico	347	302	287	1,415	1,247	1,180	245	242	243
New York	1,858	1,859	1,732	7,402	7,394	6,896	251	251	251
North Carolina	3,078	3,140	3,149	12,942	13,050	13,111	238	241	240
North Dakota	88	102	119	391	413	483	225	247	246
Ohio	2,431	2,755	2,980	9,942	11,079	11,584	245	249	257
Oklahoma	839	814	841	3,542	3,509	3,506	237	232	240
Oregon	665	620	630	2,756	2,524	2,583	241	246	244
Pennsylvania	4,268	4,324	4,716	16,457	16,552	18,059	259	261	261
Rhode Island	88	74	62	354	293	250	249	253	248
South Carolina	1,613	1,656	1,594	6,522	6,645	6,302	247	249	253
South Dakota	461	428	374	2,042	1,862	1,580	226	230	237
Tennessee	922	884	822	3,747	3,649	3,232	246	242	254
Texas	3,224	3,113	3,089	13,448	13,290	12,745	240	234	242
Utah	459	439	456	1,903	1,906	1,822	241	230	250
Vermont	81	79	69	329	302	260	246	262	266
Virginia	947	929	840	3,980	3,929	3,474	238	236	242
Washington	1,332	1,334	1,232	5,298	5,309	5,017	251	251	246
West Virginia	155	141	136	670	612	607	231	230	224
Wisconsin	955	991	904	3,943	4,040	3,621	242	245	250
Wyoming	8.5	8.2	8.6	47	44	40	181	186	150
U.S.	69,827	69,706	68,108	287,739	286,299	276,096	243	243	247

¹Annual estimates cover December 1 of previous year through November 30. ²Sum of States may not add to U.S. total due to rounding. ³Total egg production divided by average number of layers on hand multiplied by 100.

**Table 45—Estimated costs and returns,
1981-83¹**

Year	Production costs		Wholesale		Net returns
	Feed	Total	Total costs ²	Price ³	
Market eggs (cts/doz)					
1981					
I	37.7	54.0	75.3	72.7	-2.6
II	37.3	53.6	74.9	68.8	-6.1
III	35.7	52.0	73.3	72.9	-0.4
IV	30.5	46.8	68.1	78.1	10.0
Year ⁴	35.2	51.5	72.8	73.2	0.3
1982					
I	30.4	45.9	67.0	78.9	11.9
II	31.5	47.0	68.1	67.0	-1.0
III	30.0	45.5	66.6	67.0	0.4
IV	27.1	42.6	63.7	67.5	3.8
Year ⁴	29.7	45.2	66.3	70.1	3.8
1983					
I	29.7	47.2	67.7	66.4	-1.2
II	33.5	51.0	71.5	69.2	-2.3
III	35.6	53.1	73.6	75.3	1.7
IV	37.7	55.2	75.7	90.7	15.0
Year ⁴	34.1	51.6	72.1	75.4	3.3
Broilers (cts/lb)					
1981					
I	21.3	29.9	53.4	49.3	-4.1
II	20.5	29.1	52.3	46.7	-5.7
III	20.2	28.8	51.9	47.0	-4.9
IV	17.8	26.4	48.7	42.1	-6.6
Year ⁴	20.0	28.6	51.6	46.3	-5.3
1982					
I	16.7	25.0	47.0	44.8	-2.1
II	17.3	25.6	47.7	45.2	-2.6
III	17.3	25.6	47.7	44.4	-3.3
IV	15.0	23.3	44.6	41.5	-3.1
Year ⁴	16.6	24.9	46.8	44.0	-2.8
1983					
I	16.2	24.7	47.7	43.4	-4.3
II	18.1	26.6	50.2	45.6	-4.6
III	19.0	27.5	51.4	53.9	2.4
IV	21.4	29.9	54.6	54.6	.0
Year ⁴	18.6	27.1	51.0	49.3	-1.7
Turkeys (cts/lb)					
1981					
I	32.0	43.0	68.3	64.2	-4.1
II	30.7	41.7	66.7	67.8	1.1
III	30.6	41.6	66.6	66.5	-0.1
IV	28.5	39.5	63.9	58.6	-5.3
Year ⁴	30.2	41.2	66.1	64.0	-2.1
1982					
I	24.1	35.9	59.7	57.0	-2.7
II	25.1	36.9	60.9	59.3	-1.6
III	25.5	37.3	61.4	67.0	5.6
IV	23.2	35.0	58.5	66.9	8.3
Year ⁴	24.5	36.3	60.1	63.6	3.5
1983					
I	22.7	35.9	60.6	56.4	-4.2
II	24.9	38.1	63.3	59.0	-4.3
III	27.0	40.2	66.0	63.7	-2.3
IV	29.8	43.0	69.4	71.0	1.5
Year ⁴	26.6	39.8	65.4	63.5	-2.0

¹Estimated by computerized formula. Costs are weighted by monthly production. ²Based on farm cost converted to wholesale market value.

³Wholesale prices used are the 13 metro area egg price, 9-city weighted average broiler price and a 3-city weighted average of 8-16 lb. young hens and 24-26 lb. toms in New York, Chicago and Los Angeles.

⁴Weighted average.

MEAT CONSUMPTION AND PRICES

Total red meat and poultry consumption in 1983 was a record large 209.6 pounds per person, on a retail weight basis. This was 6 pounds above 1982 and 1 pound above the previous record in 1980. In 1983, consumers purchased nearly 79 pounds of beef, 62 pounds of pork, nearly 52 pounds of broilers, and 11 pounds of turkey per person. Both broiler and turkey consumption were record large. Beef consumption was the largest since 1978. Pork consumption rose 3 pounds from 1982. Consumption of veal, lamb and mutton, and mature chickens was about unchanged from a year earlier.

Per capita red meat consumption in the first quarter of 1984 may rise 3 percent, or about 1 pound on a retail weight basis. Increased pork consumption will be mainly responsible for the rise in total red meat consumption. Sharply higher hog slaughter in the first quarter of 1984 (7 to 9 percent above a year earlier) will hold down pork price gains. Beef consumption will rise slightly from approximately 19 pounds in first-quarter 1983 to around 19.5 pounds in 1984. Lamb and mutton, and veal consumption probably will remain unchanged at about 0.4 pounds.

Retail meat prices, as measured by the BLS retail price index, declined about 1 percent in 1983. The Consumer Price Index for all items rose 3.2 percent for the year. During 1983, the retail price index for poultry was up 3 points, 1.5 percent, from the index of 195 in 1982. Poultry production near year-earlier levels in second-half 1983 strengthened the poultry index, which averaged 202, up from 195 in second-half 1982. The retail price index for eggs was also higher in 1983. During second-half 1983, the index for eggs averaged 200, up from 172 in 1982. The reduced production, coupled with concern about avian influenza, strengthened prices, particularly in the fourth quarter of 1983.

In addition to reduced supplies and concerns about avian flu, the retail price index for poultry and eggs has been strengthened thus far in 1984 by severe cold weather which further reduced supplies. With supplies reduced in the first quarter of 1984, the retail price index for poultry is expected to average 210 to 220, up from 193 last year. With warmer weather and assuming avian influenza is contained in the second quarter, the poultry index may average 205 to 215, down from the first-quarter average but still above 1983's average of 192. The index in the second half is expected to average near the second-quarter level and up from the price index of 200 recorded in the last half of 1983.

The retail price index for eggs has been much higher in 1984 and may average 240 to 250 for the first quarter, from 172 in 1983. The index may then decline to 215 to 225, but remain above 1983's 177. In second-half 1984, the index for eggs may average 205 to 215, up from 200 in 1983.

During 1983, retail prices for pork declined nearly 3 percent from the 1982 average, while prices for Choice beef declined nearly 1 percent. Cutbacks in breeding herds in both the hog and beef sectors due to higher grain prices, drought, and poor returns during the fourth quarter resulted in larger meat supplies and the lowest prices since early 1981 for beef and early 1982 for pork.

Beef supplies are expected to decline seasonally this spring, but remain near the levels of a year ago. Nonfed beef supplies will be a little more plentiful, particularly early in the quarter. In the second half of the year, fed beef supplies may decline 1 to 3 percent, but nonfed beef supplies will fall fairly sharply. As beef supplies decline through spring, the farm-to-retail spread may widen and retail beef prices are expected to move towards the upper \$2.40's per pound. For the last 2 years, the beef farm-to-retail price spread has remained about unchanged, at around \$1.02 cents a pound. Since 1980, the farm-to-retail beef spread has narrowed through the spring. The supply decrease in early-winter 1983-84 (due largely to adverse weather) brought an increase in live cattle and wholesale beef prices, which began to be reflected in higher average retail beef prices in January. Retail beef prices averaged \$2.38 a pound in January, compared with \$2.31 in December 1983, and \$2.37 in January 1983.

The increase in the retail beef price will widen the farm-to-retail spread between now and spring from the 91-cent average in December and January, as fed cattle prices are expected to change very little. Prices are likely to range from \$2.47 to \$2.52 a pound in the second half of the year as beef and total meat supplies remain below year-ago levels.

Pork supplies may decline about 1 percent from a year ago this spring, but 6 to 8 percent in second-half 1984. Retail pork prices averaged \$1.65 per pound in January, up from \$1.58 in December 1983, but well below the \$1.85 recorded in January 1983. Retail pork prices

should move up to around last year's \$1.71 this spring and average \$1.85 to \$1.90 a pound for the remainder of the year, similar to second-half 1982. In 1983, the farm-to-retail spread averaged 93.3 cents per pound, 7 percent higher than 1982. The spread typically narrows seasonally through the spring each year. However, in 1983, spreads increased from the first to the second quarter. The pork farm-to-retail spread in 1984 is also likely to widen through spring.

Recent Livestock and Meat Studies

Costs of production, costs and returns for crops, cattle, hogs, sheep, and milk production for 1981 and 1982 were released in December 1983. *Economic Indicators of the Farm Sector: Costs of Production 1982*. National Economics Division, Economic Research Service, U.S. Department of Agriculture, ECIFS 2-3. This report is one of a five-part series published annually. Subscription rates for the series are \$15 domestic; \$18.75 foreign. Send check or money order payable to "Superintendent of Documents" to: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. For faster service call GPO's order desk at (202) 783-3238.

Changing Trends in the Red Meat Distribution System, by Lawrence A. Duewer. Additional information is available in the special article in this issue.

Table 55—Young chicken supply and utilization, 1982-83

Year	Total production ¹	Beginning stocks	Total supply ²	Ending stocks	Exports and shipments	Military	Civilian disappearance	
							Total ²	Per capita
Million pounds								
Pounds								
1982 ³								
I	2,924.1	32.6	2,956.6	27.0	171.3	6.8	2,751.6	12.0
II	3,145.2	27.0	3,172.2	21.8	178.7	13.1	2,958.7	12.9
III	3,158.6	21.8	3,180.4	17.4	138.3	8.3	3,016.4	13.1
IV	2,946.8	17.4	2,964.2	22.3	160.3	5.9	2,775.8	12.0
Year	12,174.7	32.6	12,207.3	22.3	648.5	34.0	11,502.5	50.0
1983 ³								
I	3,094.8	22.3	3,117.1	20.9	147.0	7.8	2,941.4	12.7
II	3,314.5	20.9	3,335.4	20.8	141.8	8.8	3,164.0	13.7
III	3,183.7	20.8	3,204.5	26.0	132.0	9.2	3,037.2	13.1
IV	2,952.2	26.0	2,978.2	21.2		7.1		
Year	12,545.1	22.3	12,567.5	21.2		33.0		

¹Total production is estimated by multiplying the federally inspected slaughter by the ratio of the annual total production to the annual federally inspected slaughter. The ratio for 1983 is the same as in 1982. ²Totals may not add due to rounding. ³Preliminary.

Table 54—Total red meat supply and utilization by quarters, carcass and retail weight, 1982-83¹

Year	Commercial production	Farm production	Beginning stocks	Imports	Total supply	Exports	Shipments	Military purchases	Ending stocks	Total disappearance	Per capita disappearance		Population
											Carcass weight	Retail weight	
Million pounds											Pounds		Millions
Beef:													
1982													
I	5,455.00	59.00	257.00	367.93	6,138.93	55.45	12.54	36.00	212.00	5,822.93	25.42	18.81	229.10
II	5,363.00	25.00	212.00	538.37	6,138.37	65.56	14.74	39.00	190.00	5,829.07	25.39	18.79	229.60
III	5,730.00	26.00	190.00	655.72	6,601.72	55.83	15.09	35.00	248.00	6,247.80	27.14	20.08	230.20
IV	5,818.00	60.00	248.00	377.16	6,503.16	72.90	12.93	25.00	294.00	6,098.32	26.42	19.55	230.80
Year	22,366.00	170.00	257.00	1,939.18	24,732.18	249.74	55.30	135.00	294.00	23,998.13	104.37	77.23	229.90
1983 ²													
I	5,525.00	59.00	294.00	527.89	6,405.89	66.81	10.35	28.00	299.00	6,001.73	25.95	19.20	231.30
II	5,549.00	25.00	299.00	516.67	6,389.67	61.96	10.27	34.00	254.00	6,029.44	26.01	19.25	231.80
III	6,012.00	26.00	254.00	539.04	6,831.04	71.62	9.14	34.00	269.00	6,447.28	27.74	20.53	232.40
IV	5,974.00	60.00	269.00	347.47	6,650.47	71.71		25.00	325.00				233.00
Year	23,060.00	170.00	294.00	1,931.07	25,455.07	272.10		121.00	325.00				232.00
Pork:													
1982													
I	3,693.00	38.00	264.00	126.00	4,121.00	57.70	33.76	17.00	274.00	3,738.54	16.32	15.33	229.10
II	3,550.00	16.00	274.00	158.81	3,998.81	80.62	35.66	27.00	264.00	3,591.52	15.64	14.76	229.60
III	3,240.00	16.00	264.00	159.36	3,679.36	36.42	31.31	31.00	183.00	3,397.63	14.76	13.87	230.20
IV	3,638.00	38.00	183.00	167.93	4,026.93	39.55	50.42	21.00	219.00	3,696.96	16.02	15.06	230.80
Year	14,121.00	108.00	264.00	612.11	15,105.11	214.29	151.16	96.00	219.00	14,424.66	62.74	59.01	229.90
1983 ²													
I	3,483.00	38.00	219.00	179.52	3,919.52	44.00	34.27	22.00	235.00	3,584.25	15.50	14.58	231.30
II	3,726.00	16.00	235.00	175.79	4,152.80	71.78	31.73	25.00	280.00	3,744.29	16.15	15.21	231.80
III	3,644.00	16.00	280.00	169.08	4,109.08	42.48	27.78	21.00	210.00	3,807.82	16.38	15.37	232.40
IV	4,208.00	38.00	210.00	177.22	4,633.22	61.06		21.00	301.00				233.00
Year	15,061.00	108.00	219.00	701.61	16,089.61	219.32		89.00	301.00				232.00
Year	Commercial production	Farm production	Beginning stocks	Imports	Total supply	Exports	Shipments	Military purchases	Ending stocks	Total disappearance	Per capita disappearance		Population
											Carcass weight	Retail weight	
Million pounds											Pounds		Millions
Lamb and mutton:													
1982													
I	90.00	3.00	11.00	3.44	107.44	0.36	0.63	0.00	9.00	97.44	0.43	0.38	229.10
II	85.00	2.00	9.00	7.26	103.26	0.47	0.69	0.00	8.00	94.09	0.41	0.36	229.60
III	88.00	1.00	8.00	6.84	103.84	0.45	0.41	0.00	9.00	93.99	0.41	0.36	230.20
IV	93.00	3.00	9.00	1.12	106.12	0.44	0.69	1.00	9.00	95.00	0.41	0.37	230.80
Year	356.00	9.00	11.00	18.67	394.67	1.72	2.42	1.00	9.00	380.52	1.66	1.47	229.90
1983 ²													
I	93.00	3.00	9.00	4.33	109.33	.27	.72	0.00	8.00	100.34	.43	.39	231.30
II	89.00	2.00	8.00	5.89	104.89	.49	.87	0.00	9.00	94.53	.41	.36	231.80
III	94.00	1.00	9.00	5.99	109.99	.24	.34	0.00	9.00	100.41	.43	.38	232.40
IV	91.00	3.00	9.00	2.56	105.56	.45		0.00	11.00				233.00
Year	367.00	9.00	9.00	18.77	403.77	1.45		0.00	11.00				232.00
Veal:													
1982													
I	107.00	8.00	9.00	3.24	127.24	0.85	0.40	1.00	8.00	116.99	0.51	0.42	229.10
II	99.00	4.00	8.00	6.77	117.77	1.06	0.28	2.00	8.00	106.43	0.46	0.38	229.60
III	107.00	5.00	8.00	4.26	124.26	0.88	0.40	2.00	7.00	113.97	0.50	0.41	230.20
IV	110.00	8.00	7.00	4.49	129.49	1.01	0.39	1.00	7.00	120.09	0.52	0.43	230.80
Year	423.00	25.00	9.00	18.76	475.76	3.80	1.47	6.00	7.00	457.49	1.99	1.65	229.90
1983 ²													
I	103.00	8.00	7.00	8.54	126.54	.98	.18	2.00	7.00	116.38	.50	.42	231.30
II	98.00	4.00	7.00	5.19	114.19	1.13	.17	3.00	7.00	102.89	.44	.37	231.80
III	110.00	5.00	7.00	2.44	124.44	1.10	.42	1.00	9.00	112.92	.49	.40	232.40
IV	117.00	8.00	9.00	2.38	136.38	.85		1.00	9.00				233.00
Year	428.00	25.00	7.00	18.55	478.55	4.06		7.00	9.00				232.00
Total red meat:													
1982													
I	9,345.00	108.00	541.00	500.61	10,494.60	114.36	47.33	54.00	503.00	9,775.90	42.67	34.94	229.10
II	9,097.00	47.00	503.00	711.21	10,358.21	147.72	51.37	68.00	470.00	9,621.12	41.90	34.29	229.60
III	9,165.00	48.00	470.00	826.19	10,509.18	93.58	47.21	68.00	447.00	9,853.39	42.80	34.73	230.20
IV	9,659.00	109.00	447.00	550.71	10,765.70	113.90	64.43	48.00	529.00	10,010.36	43.37	35.41	230.80
Year	37,266.00	312.00	541.00	2,588.72	40,707.71	469.56	210.35	238.00	529.00	39,260.79	170.75	139.36	229.90
1983 ²													
I	9,204.00	108.00	529.00	720.28	10,561.28	112.06	45.52	52.00	549.00	9,802.70	42.38	34.59	231.30
II	9,462.00	47.00	549.00	703.54	10,761.54	135.36	43.04	62.00	550.00	9,971.14	43.02	35.19	231.80
III	9,860.00	48.00	550.00	716.55	11,174.55	115.44	37.68	56.00	497.00	10,468.43	45.04	36.68	232.40
IV	10,390.00	109.00	497.00	529.63	11,525.63	134.07		47.00	646.00				233.00
Year	38,916.00	312.00	529.00	2,670.00	42,427.00	496.93		217.00	646.00				232.00

¹Totals may not add due to rounding ²Preliminary.

Table 56—Mature chicken supply and utilization, 1982-83¹

Year	Supply					Utilization		
	Total production	Beginning stocks	Total supply	Ending stocks	Exports and shipments	Domestic disappearance		
						Military	Civilian	
							Total	Per capita
	<i>Million pounds</i>						<i>Pounds²</i>	
1982 ³								
I	189.0	116.5	305.5	113.0	7.4	.4	184.7	.8
II	200.3	113.0	313.3	113.5	7.2	1.1	191.5	.8
III	176.2	113.5	289.7	103.8	5.1	.4	180.4	.8
IV	179.0	103.8	282.8	112.7	6.6	.3	163.1	.7
Year	744.5	116.5	861.0	112.7	26.3	2.2	719.8	3.1
1983 ³								
I	194.1	112.7	306.8	115.2	5.3	2.0	184.3	.8
II	176.9	115.2	292.0	127.8	7.2	.4	156.6	.7
III	160.1	127.8	286.0	113.0	8.6	.5	165.8	.7
IV	138.7	113.0	251.7	91.1		.4		
Year	669.7	112.7	782.4	91.1				

¹Totals may not add due to rounding. ²Calculated from unrounded data. ³Preliminary.

Table 57—Turkey supply and utilization, 1982-83

Year	Total production ¹	Beginning stocks	Total supply ²	Ending stocks	Exports and shipments	Military	Civilian consumption	
							Total ²	Per capita ²
Million pounds								
Pounds								
1982 ³								
I	421.1	238.4	659.5	232.8	17.8	2.3	406.6	1.8
II	541.6	232.8	774.4	281.7	10.9	2.2	479.7	2.1
III	780.7	281.7	1,062.3	435.8	9.9	4.6	612.0	2.7
IV	779.0	435.8	1,214.8	203.9	17.1	3.1	990.7	4.3
Year	2,522.3	238.4	2,760.7	203.9	55.6	12.1	2,489.1	10.8
1983 ³								
I	474.8	203.9	678.7	185.3	11.8	2.2	479.4	2.1
II	597.5	185.3	782.8	255.7	11.4	3.3	512.4	2.2
III	781.8	255.7	1,037.5	432.2	14.5	5.3	580.5	2.5
IV	780.5	432.2	1,212.7	161.8		2.6		
Year	2,634.6	203.9	2,838.5	161.8		13.4		

¹Total production is estimated by multiplying the inspected slaughter by the ratio of the annual total production to the annual inspected slaughter. The ratio used in 1983 is the same as in 1982. ²Totals may not add due to rounding. ³Preliminary.

Table 58—Total red meat and poultry supply and utilization, by quarters¹

Year	Total production	Beginning stocks	Imports	Total supply	Exports and shipments	Military	Ending stocks	Total civilian disappearance	Per capita disappearance
	<i>Million pounds</i>							<i>Pounds</i>	
1982									
I	12,987	928	501	14,416	358	64	876	13,118	57.3
II	13,031	876	711	14,618	396	84	887	13,251	57.7
III	13,329	887	826	15,042	294	81	1,004	13,663	59.4
IV	13,673	1,004	551	15,228	362	57	868	13,941	60.4
Year	53,020	928	2,589	56,537	1,410	286	868	53,973	234.8
1983 ²									
I	13,076	868	720	14,664	322	64	870	13,408	58.0
II	13,598	870	704	15,172	338	74	954	13,806	59.6
III	14,034	954	717	15,705	308	71	1,068	14,228	61.2
IV	14,371	1,068	530	15,969		57	921		
Year	55,079	868	2,671	58,618		266	921		

¹Totals may not add due to rounding. ²Preliminary.

Beef and Pork: Capacity of Marketing Services

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Abstract: Trends in meat packing and distribution are toward larger, more efficient, and fewer firms. More than half of the beef produced is now cut, vacuum-wrapped, and boxed at the packing plant. More meat is now moving directly from packers to retail organizations. Increased away-from-home consumption of meat is one indication that consumers are demanding more services with their meat purchases. Indications are that current capacity at all levels of the marketing system will be ample in the foreseeable future. The costs of marketing services, in real terms, have remained relatively stable over time. This article examines the volume and type of services provided between the producer and consumer, the types of firms that provide these services, the capacity by type of firm, and the ability of these firms to supply marketing services given the current outlook for beef and pork. Trends occurring in available capacity and their effects on costs and prices are discussed^{1, 2}.

Keywords: Meat marketing, services, capacity, trends, beef, pork.

Types of Services

Consumer meat prices include the cost of a number of marketing services. These services, and the firms that offer them, have changed over time in response to consumer preferences.

Producers provide animals of the type and quality consumers want by responding to price signals from the retail market. For example, hogs grading U.S. No. 1 increased from 8 percent in 1967-68 to 72 percent in 1980 (6)³.

During 1982, consumers spent 63 percent of their beef dollar and 32 percent of their pork dollar in food service outlets, up from 47 and 23 percent, respectively, in 1967. Part of these dollars are for services not normally obtainable from grocery stores. In 1982, about 32 percent of the beef consumed and 20 percent of the pork consumed were bought from the food service industry. Americans spent 34 percent of their food dollar on meals and snacks away from home in 1982, versus 26 percent in 1960.

Trends in meat distribution are toward larger, more efficient, and fewer firms. More meat is moving directly from packers to retailers. With increased boxed beef availability, grocery wholesalers are adding meat to their product lines and cuts can be distributed to where the demand for specific cuts is highest. Packer fabrication has decreased the need for purveyor services; thus purveyors are becoming fewer and more specialized, serving mainly food service industry outlets. Independent processors are also becoming larger, fewer in number, and more specialized (4).

Costs of Services

All marketing and distribution services have a dollar cost. When more efficient methods are implemented, total costs usually don't go down, they just increase at a slower rate. When consumers buy more services, they get a different total product and must pay for the extra services.

Price spread data are used to examine costs over time (table 1). The farm-retail spreads for both beef and pork more than tripled in current dollars during the last 20 years. In constant dollars, the spreads varied from year to year but increased only slightly. However, the farm-retail spread series reflects sales of a fairly standard product by grocery stores only; therefore it is only a proxy for all beef and pork marketing costs. Improved services, such as better refrigeration and packaging, have raised real costs only slightly as productivity and technological advances have trimmed costs.

Due to sizable differences in wage levels between new and older plants or union and non-union plants, some plants have had distinct cost advantages over others. This has been the major factor leading to structural changes in the meat packing industry over the last several years. Firms and plants with high wage rates have been using various methods, such as plant closings, reorganization, and declarations of bankruptcy, to reduce labor costs. These tactics affect capacity and its use, as well as costs. A recent Supreme Court decision ruled that firms filing for reorganization under Chapter II can cancel labor contracts. This decision may result in more filings. Average wages for meat packing plants increased each year from \$3.98 an hour in 1970 to \$8.98 in 1981 (9). Wages remained at \$8.98 in 1982, but decreased to an estimated \$8.57 in 1983.

Decisions to build new plants may have been influenced by the fact that new plants can usually hire labor for less than many existing plants, as well as employ the latest technology.

¹For a more detailed discussion and explanation of information contained in this article about distribution and retailing trends and characteristics, see (4) in the list of references. The report is available from the National Technical Information Service for \$8.50. ²Major marketing functions and associated services are listed in the appendix.

Numbers in parentheses refer to items in the references at the end of this report.

Table 1—Price spreads for beef and pork, 1963 to 1983 in current and deflated dollars

Year	Farm-retail spread			
	Current dollars		Deflated by CPI (1967 = 100)	
	Beef	Pork	Beef	Pork
	<i>Cents per retail pound</i>			
1963	30.0	26.4	32.7	28.8
1964	30.2	26.6	32.5	28.6
1965	28.2	25.1	29.8	26.6
1966	30.1	29.5	31.0	30.3
1967	29.4	30.3	29.4	30.3
1968	29.9	31.2	28.7	29.9
1969	34.1	30.9	31.1	28.1
1970	37.8	38.1	32.5	32.8
1971	37.6	37.8	31.0	31.2
1972	43.1	36.5	34.4	29.1
1973	47.9	41.6	36.0	31.3
1974	54.9	50.6	37.2	34.3
1975	55.8	54.8	34.6	34.0
1976	64.1	63.0	37.6	37.0
1977	62.9	59.8	34.7	32.9
1978	70.8	67.0	36.2	34.3
1979	85.5	77.5	39.3	35.6
1980	92.6	76.2	37.5	30.9
1981	100.2	82.1	36.8	30.1
1982	102.0	87.4	35.3	30.2
1983	101.9	93.3	34.1	31.3

From 1971 to 1981, total value of assets of the meat products industry increased 63 percent in nominal terms, but decreased when adjusted for inflation (table 2). Sales relative to the value of assets increased over the same period. The ratio of meat production to assets (deflated) also increased. Data reflect the fact that more meat of higher value is being produced per dollar of assets than 10 years ago. Assets have decreased as some plants grow older and lose value. New plants are larger, more efficient, single-species facilities with faster line speeds. Some of the newer and larger plants slaughter two shifts per day, spreading fixed assets over more volume.

Capacity

Sufficient capacity to handle current and anticipated movement for this decade is available in the meat products industry. This is partly evidenced by the larger volume moved in recent years.

Firm capacity and total industry capacity are elusive concepts. Plants are usually built for a certain line speed, but do not slaughter continuously during an entire 8-hour shift, due to rest breaks and downtime. Firms may also work one or two shifts, more (or fewer) days per week, and more (or fewer) than 8 hours per shift.

Slaughter levels vary from year to year, reflecting production cycles. Seasonal and monthly variations also occur. November and October are usually the high production months for pork, followed by April. July is the lowest month. The high months for beef production are October and January. The low month is July. If slaughter capacity is adequate during high production months, there is overcapacity in other months. Alterna-

Table 2—Selected financial information, meat packing industry¹

Year	Sales to assets ratio	Assets	Assets (Deflated by CPI 1967=100)	Total commercial red meat production to Assets (deflated) ratio
	<i>Million dollars</i>			
1971:	4.90	5,046	4,160	9.3
1972	5.19	5,356	4,275	8.8
1973	5.12	6,489	4,875	7.2
1974	5.42	6,550	4,435	8.5
1975	5.49	6,676	4,141	8.8
1976	5.75	6,513	3,820	10.3
1977	5.69	6,551	3,609	10.9
1978	5.72	7,627	3,903	9.8
1979	6.29	7,576	3,484	10.7
1980	6.36	7,535	3,053	12.6
1981	5.89	8,239	3,024	12.8
1982	6.47	7,651	2,646	14.1

¹Based on data from the American Meat Institute (1).

tively, overtime can be used to operate over normal capacity during high production months.

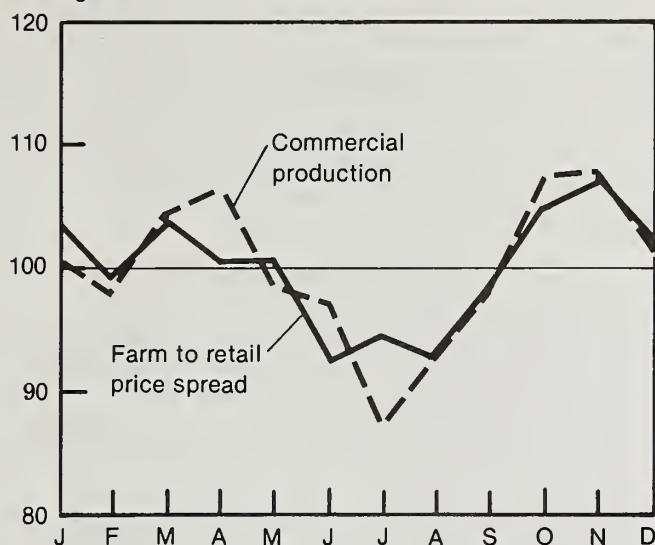
Price spreads are high when production is high and vice versa. If average production by month is plotted against average price spreads per month, the variations are similar (7) (see figure). Pork production correlated somewhat more closely with the price spread than did beef. While this correlation of price spreads and production may exist mainly because retail prices tend to lag live and wholesale prices, it may also reflect the use of more higher-cost plants or overtime when volume is high. However, cost and competitive environment determine long term price spread levels.

Some attempts have been made to determine the capacity of the beef and pork packing industry and the demand for packer services at different points of time. Capacity utilization for specialized beef and pork plants in 1970, 1972, and 1973 was estimated at about 80 percent for beef plants and around 70 percent for pork plants (2). A manuscript by Hayenga and others (5) estimates the percentage of U.S. hog slaughter capacity used from 1975 to 1981, as follows:

Year	Percentage of Capacity Used
1975	64
1976	69
1977	72
1978	75
1979	89
1980	94
1981	89

Seasonality in Pork Farm to Retail Price Spreads and Pork Production*

Average



* 1972-1982 data.
Source (7).

A record number of hogs was slaughtered in 1980 and 6 percent excess capacity still existed. Similarly, a record number of cattle was slaughtered in 1976 and excess capacity was still apparent. Currently, cattle slaughter is about 15 percent below 1976. About 10-percent fewer hogs were killed in 1983 than 1980, although daily slaughter reached a record high on December 1, 1983.

When meat movement is large, a higher percentage of capacity is used, decreasing unit fixed costs. If large movement pulls in older, idled, or less efficient plants, the cost may be higher. Conversely, operating at less than capacity tends to increase unit costs. Typically, one-third to one-half of a firm's gross margin is taken to cover fixed costs that remain the same regardless of the number slaughtered.

Capacity of facilities available for breaking beef carcasses to primal or smaller cuts is hard to estimate. Packing plants now break over 55 percent of the fed cattle and most of the cows. The number of purveyors has decreased, but the capacity to break carcasses appears to greatly exceed utilization. Several large retailers have reduced their meat breaking operations.

Transportation capacity is adequate, particularly with the use of more boxed product, which can be shipped in almost any refrigerated truck.

Since the wholesaling function is performed by many types of firms, including those that handle products other than meat, capacity utilization calculations are difficult. During the last 20 years, the number of meat merchant wholesalers (mainly distributors) declined, while merchandise agents (brokers and commission agents) increased, and packer branch offices (including packer sales offices) declined (table 3). Increasingly, retail firms are buying directly and performing their own wholesaling. Many general grocery product wholesalers added boxed beef to their product lines as it became available (3). Estimating capacity for final cutting by retail grocers and food service firms becomes less precise and also less important. Multiproduct firms can adjust more easily for variations in one product than can single-product firms.

Service and Capacity Relative To Outlook

First-quarter cattle and hog slaughter is up from a year ago, but lower than in fourth-quarter 1983. Slaughter is expected to decline further to below year-earlier levels during July-December. The reduced slaughter will squeeze profits of packers, processors, and other marketing firms.

Price spreads between farm and retail will probably hold steady or drop as live animal and meat prices increase. Producer groups are stepping up their advertising. With the improved economy, demand for meat and services has strengthened and a lower supply will mean somewhat higher retail prices. However, plants trying to maintain volume may well cause a relatively greater increase in live animal prices. Thus, packers and others in the marketing chain will be facing reduced volume, which tends to raise costs, but they probably will not be able to increase returns accordingly. This may cause some higher-cost firms to close down, tending to lower overall capacity.

At the same time that packers, and to some extent other marketing firms, face profit squeezes, some of the more efficient plants are planning expansion. This will place even more pressure on high-cost firms. The kinds of services are not likely to change much, but the movement toward more food service adds to the total services provided. Several fast food chains and other food service firms have been trying to add pork items to their standard menus. To the extent they are successful, increased

Table 3—Number of U.S. establishments and dollar volume of shipments and sales of packer branch offices, merchant wholesalers, and merchandise agents, by census year

Census year	Establishments			Shipments and Sales		
	Packer branch offices	Meat merchant wholesalers	Merchandise agents	Packer branch offices	Meat merchant wholesalers	Merchandise agents
	<i>Numbers</i>			<i>Million dollars</i>		
1963	577	5,170	134	2,446	5,371	810
1969	616	5,041	163	2,811	7,395	853
1972	464	4,847	245	4,251	12,611	1,471
1977	435	4,443	247	5,843	17,487	1,681

Source (8).

wholesale pork prices may force them to raise their prices on those pork items, try to get their suppliers to absorb price changes, or be satisfied with lower returns than anticipated.

Looking toward 1985 and beyond, capacity does not appear to be a problem as the more efficient operations will continue to expand while higher-cost plants experience problems. Some firms will close, but the slaughtering, processing, and distribution industry will continue to provide more service to the consumer.

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Appendix

Major marketing functions and the associated services are:

Meat packing: The live animal is transformed into a carcass or primal cuts at the packing plant. Packers have become concentrated in major production areas for both beef and pork, thereby reducing overall transportation costs. Packing plants also have become

larger and more specialized (and generally more efficient) single-specie plants.

Fabrication: For years, pork packers have not only slaughtered hogs, but also cut them up and processed some cuts. Beef packers have moved to more fabrication in the last 20 years. The fabricated beef is vacuum-wrapped and shipped in boxes. Packer fabrication generally costs less and is more efficient than retail fabrication. Boxed pork (vacuum-packaged and boxed) is now being tested by several packers. Most fresh pork is cut up by the packer, but it is not currently vacuum-wrapped.

Transportation: Most meat movement is by truck and by a firm specializing in transportation. Vacuum-wrapped and boxed products can be handled more efficiently than carcasses. Fat, bone, and lower-valued primals are removed in the fabrication process, providing another savings in that fewer pounds of meat are shipped. The trimmed-off products are more apt to find a higher-valued use since they're available in larger volumes at one location.

Distribution: Physical meat movement is accompanied by changes in owners, who perform different services. A wholesaler may only warehouse and deliver the product to retail outlets. A purveyor may cut the product to customer specifications before delivery. A processor may sell directly to retailers or wholesalers. Some packers may also do their own processing. Grocery chains, food service chains, and wholesale organizations of independent retail firms may buy directly from packers and provide their own distribution services. Packer sales offices may also service accounts in consuming areas, particularly for branded and processed products.

Final cutting and processing: Most processed products such as bacon, hamburger, and bologna, are completely processed and wrapped before reaching the retail outlet. Centralized cutting of fresh product is performed by some firms but represents less than 2 percent of the total volume. Some beef sub-primals and boxed pork are sold as vacuum wrapped cuts without cutting by local stores.

Retailing: Sales to final consumers are either through food stores or eating places. Grocery stores usually do their own final cutting and packaging of fresh meat products, providing the consumer a choice of cuts, package size, and grade of meat. They may also provide extended store hours, recipes, and other special services. Different grocer formats also allow the consumer some choice between the amount of service and the price paid.

Consumers are buying increased amounts of meat from the food service industry, which provides more services, such as cooking, serving, and entertainment. The fast food portion of the food service industry is the fastest growing segment of the market.

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